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12 JANUARY 1987

# Latin America Report

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## U.S. ROLE IN GUARANTEEING FREE ELECTIONS SPARKS DISPUTE

### PLP Reaction

Nassau THE TRIBUNE in English 10 Nov 86 pp 1, 11

[Article by Anthony Forbes]

#### [Text]

PLP Chairman Senator Sean McWeeney today called on the official opposition Free National Movement to repudiate a claim made on its behalf by a hired foreign agent, that only the US Government can ensure that the majority rules in the Bahamas.

Sen McWeeney said that the claim, by Darius International, Inc., is a gross insult to the sovereignty and political independence of the Bahamas, an insult to the Bahamian people and a mockery of the country's democratic traditions.

Declaring that the FNM wants the US Government to act as the guarantor of free and fair elections in the Bahamas, Sen McWeeney said that the PLP's position is that is a matter for the Bahamian people.

The PLP Chairman produced documents showing that the FNM has hired Darius International, Inc., of New York and Washington, whose principal aim is to ensure free and fair elections in the Bahamas.

The firm's registration statement was filed with the US Justice Department's criminal division on July 18, 1986, and a Dissemination Report on September 30, 1986, by Mr Peter Van Dyke Emerson.

According to the registration

statement, a verbal agreement between Mr Emerson and FNM Treasurer Orville Turnquest, MP for Montagu, calls for a total payment of \$24,000 by the FNM to Darius.

Payment is to be made as follows: \$6,000 within 30 days of commencement; \$8,000 before the election is called and \$10,000 by election day.

The firm, which terminated its links with the Republic of Sierra Leone on March 31, 1986, also represents the Liberian Action Party of Monrovia, Liberia.

So far the firm has distributed press briefing material to members of the US Congress and Executive Branch on behalf of the FNM, and has issued a press release about the visit to the US of a member of the Liberian Action Party.

Mr Emerson and Alvin Rosenbaum, a consultant, will advise the FNM periodically on US policy as it relates to the Bahamas; will advise the party principals on fundraising techniques; will prepare and disseminate materials on the Bahamian election to the US press; will arrange meetings between the party principals and members of Congress and/or the press; and will research and provide advice on the proper methods to gain US attention to the

Bahamian election process to insure an honest and fair vote.

"To help insure free and fair elections in the Bahamas, Darius may discuss past practices of election fraud in the Bahamas and possible remedies for future elections including the organisation of a US observer team," the firm said.

The firm will also set up meetings for members of the FNM with US Government officials and others to explain the views of the opposition party.

"We have retained and released herewith, irrefutable documentary evidence that the Free National Movement through its foreign agent, Darius International, Inc., is once again bad-mouthing the Bahamas abroad, and even more remarkably, is now trying to persuade public officials in the United States that the United States Government must step in to supervise the forthcoming general elections," Sen McWeeney said.

"In a Dissemination Report filed with the US Department of Justice on September 30, 1986, Darius International, Inc., acting for and on behalf of the FNM states: 'Only the US Government can ensure that the majority rules in the Bahamas. Through observer teams and other oversight, democracy can

flourish off Florida's coast'," he said.

"That statement is a gross insult to the sovereignty and political independence of the Bahamas, an insult to the Bahamian people and a mockery of our democratic traditions," he said.

The PLP Chairman said that if this was just a case of Darius International, Inc., operating as a "Lone Ranger," the statement could be dismissed.

"But it is expressly stated in the report that it is being circulated on behalf of the FNM," he said.

"We therefore call upon the FNM to repudiate the claim made on its behalf that: 'Only the US Government can ensure that majority rules in the Bahamas'," Sen McWeeney said.

"We would have thought that the FNM would have taken the position that it is the Bahamian people, not the US Government, who can alone ensure that majority rules in the Bahamas, after all, that is what independence, political sovereignty and Bahamian democracy are all about," he added.

Secondly, he said, appended to the Registration Statement was a biographical sketch of FNM Leader Kendal Isaacs and Mr Turnquest, as the two leading lights in the party.

He questioned what has become of FNM Deputy Leader Cecil Wallace Whitfield, MP for Pine Ridge, Grand Bahama, and whose name appears nowhere in either the Registration Statement or the Dissemination Report.

He said that it is interesting that for domestic purposes, Mr Whitfield is projected as the No

2 man, but when it comes to projecting the FNM's image abroad, Mr Turnquest comes across as next in command.

Thirdly, the PLP Chairman said that he found it curious that there was much fanfare by the FNM when it appointed Aaron D Cushman and Associates of Chicago to help formulate programmes to benefit the Bahamian people, but there has been no word from the FNM about Darius International Inc.

Fourthly, he said that he now knows how it came to pass that Mr Isaacs and Mr Turnquest were able to meet with some minor cogs from Washington.

He said that the answer appears in the Registration Statement of Darius International Inc., one of whose functions is to arrange meetings between the party's principals and members of Congress and/or the press.

The PLP Chairman said that the hiring of Darius Intl, Inc., is significant for a number of reasons.

"It is another example of the extent to which the FNM is permitting itself to be manipulated and stage-managed by foreign mercenary groups," he said.

He recalled that when the FNM announced the appointment of Aaroo D Cushman and Associates as an all-service public relations firm, it was stated specifically that the purpose was to have them formulate programmes and policies to present to the Bahamian people.

"We said on that occasion that we thought that was an abdication of the FNM's responsibility to tap its own collective brainpower to develop

a kind of platform of programmes and policies which they stand for. Instead what they were doing was engaging a foreign group to, in fact, come up with all of their ideas for them," he said.

"And I think I said on that occasion that was very startling evidence of intellectual bankruptcy on the part of the FNM," he said.

"And so I think this has to be seen as a broadening of that same context, that this is yet another tentacle of dependence on foreign mercenary groups to do the FNM's thinking for them and to stage manage them and to manipulate them in preparation for the next general elections," he said.

"What is interesting is that this one seems to go much further, to the extent that it is stated in the Dissemination Report, which is circulated, that the FNM is taking the position that they don't want to leave the elections just to the existing systems that we have here, that they want the US Government to act as a guarantor of free and fair elections in the Bahamas," he said.

"And they have gone on to specify what they have in mind: they want oversight teams to come in, observer teams to come in, to ensure that everything is conducted fairly and squarely," he said.

"Our position on that is that it is really a matter for the Bahamian people," he said. "And it is difficult to reconcile that kind of idea with the demands that we have to place on us as a sovereign, independent and democratic country."

## FNM Position

Nassau THE TRIBUNE in English 10 Nov 86 p 1

[Article by Anthony Forbes]

[Text]

THE FNM said today that it has no intention of repudiating the party's belief that only the US Government can ensure free

and fair elections in the Bahamas because the PLP is plotting to rob Bahamians of their sovereignty by subverting the electoral process.

The FNM said that the voting rights of Bahamian people are in "dire jeopardy" and the party is doing what it believes is right and proper to defend those rights by the good means at its disposal.

The FNM said that it will hire 100 outside advisers if it will help secure the rights and freedoms of the people and intends to alert other democratic states and international institutions about the unfair election practices of the PLP.

The FNM was responding to a statement by PLP Chairman Senator Sean McWeeney calling on the party to repudiate a claim made on its behalf by its hired foreign agent, Darius International Inc., that only the US Government can ensure that the majority rules in the Bahamas.

Sen McWeeney said that the claim is a gross insult to the sovereignty and political independence of the Bahamas, an insult to the Bahamian people and the country's democratic traditions.

The FNM described the PLP chairman's statement as a "ridiculous, cry-baby outburst" about the opposition retention of the US lobbying firm of Darius International, Inc., of New York and Washington.

The party said that Sen McWeeney is "dead right" when he tells the press that Darius has been retained to seek US assistance in "ensuring free and fair elections in the Bahamas."

"The FNM believes that in the light of what happened in the 1982 general elections and especially what happened during the St Barnabas bye-election, it is highly unlikely that the PLP will allow free and clean elections when there will be far more at stake than there was during the bye-election," the FNM said.

"The Free National Movement believes that if the Government can appeal to the United States for different kinds of material aid and

assistance, including help with combatting the drug problem, then it is of supreme urgency and necessity that Washington be alerted too, to help guarantee the democratic rights of the people of the Bahamas," the statement said.

Past elections and especially the St Barnabas election, the FNM feels, have demonstrated that the people of the Bahamas have not been allowed to participate in free elections without crooked polling practices, victimization and intimidation.

"And so the people - as freedom seeking peoples all over the world - are asking America to stand watch on their behalf," the FNM said.

"The Free National Movement has no intention of, as Sen McWeeney puts it, repudiating the party's belief that only the United States Government can ensure that the majority rules in the Bahamas," the party said.

"The party will go to the highest body in the world to seek relief for the Bahamian people," it said. "That relief is not possible merely by methods at home when there is a Government which does not play by the rules of democracy. That has been proven time and time again."

The FNM said that when, in 1965, the UBP Government introduced its heavily biased electoral boundary changes and the then opposition PLP could get no satisfaction on the people's behalf, a delegation, led by the Prime Minister himself, went to New York and laid the case before the United Nations Committee of 24.

"Have things changed so drastically that what was good for the down-trodden Bahamian of 20 years ago is not good for the Bahamian of 1986?" asked the FNM.

The party said that it is convinced that what is bothering the Sen McWeeney and the PLP about the FNM's recruitment of Darius International is that the company will be successful in getting America to take an interest in Bahamian elections.

"If that happens, the PLP will not be able to get away with the shennanigans of the past

and still be recognized as a democratically chosen government," the FNM said.

"The FNM believes that Sen McWeeney and his bosses should mind their own business," he said. "They should look inside their own house and clean it up and stop trying to interfere with the legitimate activities of the Free National Movement on behalf of the people the PLP has hoodwinked and neglected for so long."

"Mr McWeeney, we believe, is not so much interested in the sovereignty of the Bahamas as he is in the sovereignty of the PLP and its corrupt associates who have together ruined the good name of our country in the international community," the FNM said.

"They are now plotting to rob the people of their sovereignty by subverting the electoral process," the FNM charged.

The FNM said that it will get 100 outside advisers if that will help in securing the rights and the freedoms of the people.

"In this instance we believe the voting rights of the Bahamian people are in dire jeopardy, and we are doing what we feel is right and proper to defend those rights by the good means we have at our disposal," the party said.

"We intend to alert other democratic states and international institutions to the unfair election practices of the PLP," the FNM said.

"What the FNM does in the way of public relations and lobbying in the US is of concern to the PLP," the party said. "We pay who we hire with our own money. The PLP hired Black, Manafort and Stone to clean up their corrupt image and they did it at the expense of the people."

The FNM said that the PLP does not have a monopoly on ideas and the means of fighting tyranny.

"In fact the FNM, because of our years of struggle, has developed an arsenal of capabilities. We are putting them to work and to work effectively, and that is what is bothering the PLP," the FNM said.

"The Opposition will not be thwarted in its efforts just



because a cry-baby would-be politician cannot take heat in the political kitchen," the FNM said. "If that is Mr McWeeney's problem, let him go and study his law books and let Sir Lynden do his own

hatchet work."

"The FNM can handle any of them just as effectively, but at least there is a lesser chance that they will whine and cry when they receive their licks," the party said.

## FNM Clash With Radio

Nassau THE TRIBUNE in English 12 Nov 86 p 1

[Article by Athena Damianos]

[Text] The Opposition FNM Tuesday called for the removal from the airwaves of ZNS newsman Obie Wilchombe.

According to the FNM, Mr Wilchcombe wrote, engineered, orchestrated and broadcast Tuesday evening's story charging the FNM with improper conduct in its handling of the people's business and the protection of the people's voting rights through means available outside the country.

The FNM was referring to the newscast on its US public relations group, Darius International.

The FNM condemned ZNS radio and television for what it considers the ultimate breach of accepted broadcast ethics in handling the story.

The FNM strongly objected to the fact that ZNS announced the Broadcasting Corporation was in possession of a document outlining the lobbying and promotional efforts of Darius on behalf of the FNM for a professional fee.

"Using its expertise in these matters, Darius is mandated by the FNM to alert US Congressmen, Senators and Washington executives to the possibility of repeat and unfair election practices in the Bahamas, and to seek America's assistance to ensure that elections held in the Bahamas are free and fair," the FNM said.

After airing sections of the Darius plan of action, the FNM said Mr Wilchcombe proceeded to ridicule and discredit the Opposition for its activities, pointing out what he termed inconsistencies and fabrications.

"All this was done within the context of the news broadcast, without even an attempt by Mr Wilchcombe to ascribe his remarks to a Government Minister or officer, to a PLP executive, or to anyone other than ZNS itself," the FNM said.

The FNM took great exception to this "deliberate and biased editorialising of the news on the people's broadcast media, on the people's time, using the people's money, and with no regard for the fact that many of the people are in full support of views opposed to Government's and of the efforts of the FNM."

"The FNM says this is precisely what the party has been railing against for years. The party believes that this action on the part of Mr Wilchcombe leaves absolutely no doubt that the PLP Government is now not even offering a pretence that the station is unbiased, and that now it must be generally assumed that Mr Wilchcombe, regardless of what position he holds at ZNS, is in fact the PLPs political propagandist on the payroll of the people's broadcasting operation," the FNM said.

"It is wrong, immoral and must be viewed as an incitement of the people to stand up for their rights and not to sit again until Wilchcombe and his political overlords at ZNS are kicked out of the system."

The FNM said that the Prime Minister earlier this summer went to Chicago 'to look for America' to help get freedom for South Africans. The FNM said it supported the Government's South African stand.

"Now we have gone to look for America to help secure the voting freedoms of the Bahamian people," the FNM said.

The FNM said Mr Wilchcombe should stand aside and allow the Prime Minister and "his unfair, corrupt Government to fight their own battles like the men they are supposed to be."

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# PINDLING ADDRESSES PLP'S 31ST ANNUAL CONVENTION

## Review of Drugs Situation

Nassau THE TRIBUNE in English 28 Oct 86 pp 1, 9

[Article by Anthony Forbes]

[Text]

HAD THE United States heeded his warning six years ago to control the invasion of the Bahamas by drug traffickers, much grief, pain and suffering might have been spared both countries, Prime Minister Sir Lynden Pindling told his party's convention last night.

In his keynote address at the PLP's 31st annual convention, the Prime Minister also said that the passage of time has "vindicated" his position at a September 29, 1980, press conference in Washington, DC.

The Prime Minister read a portion of his 1980 statement that it was an American responsibility to control the drug invasion of the Bahamas, which he claimed led to a sustained attack on Government by the official opposition Free National Movement.

He told about 1,000 delegates and supporters at the Polaris Hall of the Holiday Inn Hotel on Paradise Island that he hoped to report such success on a US-Bahamian drug interdiction programme next year that the drug problem, and violent crime, its main companion, will have been significantly diminished.

"The amount of money spent on each year by drug users in America is more than two hundred times the size of the entire budget of the Government of the Bahamas," the Prime Minister said.

"This staggering and appar-

ently insatiable appetite is having serious consequences in many nations around the world including our own," he said.

The Prime Minister noted that Pakistan now supplies the heroin Americans formerly received from Iran and Afghanistan, while Mexico is being devastated by its marijuana and cocaine trade.

In Colombia, Bolivia and Peru, he said, cocaine and marijuana production, which has exploded to meet the demand, are not only creating severe social problems but the profits from the trade are financing private and guerilla armies which threaten to destabilise the entire political structure of the South American sub-continent.

Against that background, the Prime Minister invited his audience to step back in time to Washington, DC, where on September 29, 1980, he made his appeal for US help to combat the drug problem in the Bahamas.

"Immediately after I made that statement, I was subjected to sustained attack from the Free National Movement who claimed I had gone to Washington to insult the Americans," the Prime Minister said.

"As usual, they missed the point completely," he said. "As usual, their sole interest was a petty political advantage."

"They did not know what they were talking about and they did not care about the consequences of their actions.

But the passage of time has vindicated our position," the Prime Minister said.

He said that on September 29, 1986, six years later, he was back in Washington, DC.

"But whereas in 1980 I had come to clarify a confrontation, this time, in 1986, I had come to crown a consultation," the Prime Minister told the convention.

He noted that in August, US Senator Dennis De Concini had moved in the US Senate and Congressman Glenn English had moved in the US House of Representatives, a massive and revolutionary \$1.4 billion Drug Control Bill.

"In that bill, the responsibility of America which I had highlighted six years before, and the role of the Bahamas which I had proposed six years before, were finally recognized," the Prime Minister said.

"But oh, what grief, what pain and what suffering might have been spared both our countries had the call been heeded and the FNM not been so customarily foolish just six years earlier," he said.

He said that Senator Robert Dole, Senate Majority Leader, introduced a compromise bill in the US Senate in September, a final version of which was eventually passed on October 17 this year.

The Prime Minister said that the bill contains, among other provisions, financial provisions for the following:

--(1) The establishment of a US-Bahamas Drug Interdiction Task Force which will operate under the aegis of the US Attorney General on the US side and the Minister of National Security on the Bahamas side.

--(2) The establishment in the Bahamas of a US Coast Guard/Royal Bahamas Defence Force Docking and Maintenance Facility to facilitate drug interdiction operations at sea in and through the Bahamas.

--(3) The establishment on South Florida of a US Customs/Bahamas Drug Interdiction Unit which will operate several 50 mph hot-pursuit sea-craft manned jointly by American and Bahamian law enforcement personnel.

--(4) The installation of an aerostat radar-equipped balloon over Grand Turk in the Turrks and Caicos Islands which balloon would protect our exposed Southeastern flank and compliment a second balloon that had already been approved for location in the Central Bahamas.

The Prime Minister said that while in Washington, D.C., he was able to discuss the implementation of the American bill and the proposed expanded drug interdiction plans, together with other matters of mutual interest to Bahamas-United States relations, with Assistant Secretary of State for Inter-American Affairs, Elliott Abrams, Attorney General Edwin Meese, the Administrator of

Drug Enforcement Administration, John Lawn, and the Commissioner of Customs, William Van Raab.

"I expect that the drug bill presently being debated in the House of Assembly will become law this year," said the Prime Minister.

"I can then confidently look forward to next year this time, when, hopefully, I would report such success with drug interdiction that that problem, associated directly and indirectly with its main companion, violent crime, will have been significantly diminished," he said.

#### Economic Advances

Nassau THE TRIBUNE in English 28 Oct 86 p 10

[Article by Anthony Forbes]

[Text]

THE Bahamas has experienced a "stunning" broad-based economic explosion during the Government's last term of office, Prime Minister Sir Lynden Pindling told the PLP's 31st annual convention last night.

Sir Lynden, who is also Minister of Finance, said that since the 1982 general elections, the PLP Government has pumped into the Bahamian economy more than four and a quarter billion dollars from tourism alone.

"Thank God I can say tonight: this is your captain speaking. We are full speed ahead. This ship is steady as she goes," the Prime Minister told cheering delegates and supporters.

Over 1,000 persons, including Cabinet Ministers and religious leaders, crowded the Polaris Hall of the Holiday Inn Hotel on Paradise Island for his keynote address at the PLP's last convention before the 1987 general elections.

In a rather low-key, 23-page speech, the Prime Minister showered his audience with statistics, declaring that the "economic power bubbling" in them have "burst out in a shower of business" in the country.

"Over the years since the last general election we have turned

in a steady social and economic performance that is the envy of every small country in the world," he said.

"She is steady because our Progressive Liberal Party Government has consistently chosen sovereignty over slavery, peace over provocation and prosperity over ideological pretense," the Prime Minister said.

"This resolute pursuit of level-headed policies has paid rich dividends for the Bahamas," he said.

"By any measure anywhere, we Bahamians have witnessed an economic miracle in two short decades; but, given the harsh realities of worldwide recession during the last decade, the broad-based economic explosion which we have witnessed in our last term of office is simply and absolutely stunning," he added.

Turning to statistics, the Prime Minister said that while the Gross National Product (GNP) has been falling in many countries, big and small, due to their own extenuating circumstances, the Bahamas has seen its GNP rise steadily.

"Not only is it better in the Bahamas, the statistics also prove that Bahamians have steadily become better off each year," he said.

Looking at the record, the Prime Minister said the average

per capita income stood at \$6,423 in 1983; rose to \$6,923 in 1983; climbed \$200 to \$7,152 in 1984, and then jumped \$400 to \$7,600 in 1985.

"From 1982 to 1985, there was an expansion of some 20 per cent, and it is steady as she goes," the Prime Minister said, echoing the theme of this year's convention: "Steady As She Goes."

Another measure of the burgeoning prosperity being enjoyed in the Bahamas, he said, is the Gross Domestic Product (GDP).

He said that the Bahamas, in 1982, was already doing \$1.4 billion worth of business, and last year, the figure had grown by more than a third of a billion to \$1,748,000,000.

"Now, in 1986, we are really getting down to business and steadily approaching a yearly output of goods and services of some two billion dollars," he said. "Our little shop is doing big business and it is steady as she goes."

Like the GDP, he said, the country's foreign reserves have risen steadily between 1982 and 1986.

He said that in 1982, the year of the last general election, the foreign reserves stood at \$113.6 million; improved to \$123.7 million in 1983 and then jumped to \$162.3 million in 1984.

"In 1985, our reserves settled at \$181.5 million," he said. "Now hear this. So far, in 1986, our foreign reserves are putting in a particularly robust performance."

"A month-by-month check will show that from a reserve level of \$179.7 million in January, 1986, we were at \$249.7 million by September. And as of the 21st October, last Tuesday, they stood comfortably at \$262 million," the Prime Minister said.

He said that such a strong performance in foreign reserves is entirely consistent with the steady growth the country has experienced in tourism since the last general election.

"Tourism remains our biggest business," he said.

"Since 1982, total tourist arrivals have risen by almost 700,000, from just under two million in 1982 to 2,626,550 last year."

"Despite the best efforts of our enemies, the steady climb continues and we confidently expect to rocket through the three million tourists barrier this year," he said.

The Prime Minister said that this steady flow of visitors has been a gold mine, and that visitor expenditures have shot up by more than 50 per cent from \$655 million in 1982 to \$995 million in 1985.

"This year, that same golden goose, which the Opposition is still trying to kill, will lay a billion dollar egg," he said.

"What all that means is this. Since you elected your PLP Government in 1982, we have pumped into the Bahamian economy more than four and a quarter billion dollars from tourism alone," he said.

"Some straw vendors, basking in the sunshine, are operating \$50-a-day and \$100-a-day asues," he said. "This is your captain speaking. The ship is riding well, steady as she goes."

"The economic power bubbling in these statistics have burst out in a shower of business," the Prime Minister said.

He said that a new spirit of cooperation between the Government and business sectors has opened the door to a new wave of private enterprise.

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CSO: 3298/056

## ATTORNEY GENERAL: DRUGS INQUIRY FINDINGS 'UNJUSTIFIED'

Nassau THE TRIBUNE in English 1 Nov 86 pp 1, 2, 12

[Article by Anthony Forbes]

[Text]

ATTORNEY General Paul Adderley said last night that the findings of the Commission of Inquiry against several persons, including the Prime Minister and former Cabinet Ministers Kendal Nottage and George Smith, were unjustified by circumstances, lack of evidence or by wrong or improper conclusions.

However, the Attorney General said there was evidence to justify a prosecution against former PLP Chairman and Senator Edward Andrew "Dud" Maynard, brother of Deputy Prime Minister Clement Maynard, which he felt compelled him to authorise a prosecution having regard to the comments of the Commission.

Mr Maynard was charged and discharged after the prosecution chief witness, Luis "Kojak" Garcia, an admitted Miami drug trafficker, refused to come to Nassau to testify against Mr Maynard for fear he could himself be prosecuted by the Bahamian court.

Firstly, Mr Adderley said that Mrs Ruby Nottage, wife of Mr Nottage, former Minister of Youth, Sports and Community Affairs, was "unfairly and unjustly" criticised by the Commission's December 14, 1984 report for performing a duty as an attorney.

Secondly, the Attorney General said that the Commission's

findings amounted to an "injustice" against Mr Nottage, MP for St Agnes, and former Minister of Agriculture, Fisheries and Local Government George Smith, MP for Rolleville, Exuma.

Both men resigned from the Cabinet two months before the Commission made its report which found that whether he realized it or not, Mr Nottage had "fronted" for mafia drug trafficker Salvatore Michael Caruana, while Mr Smith "corruptly" accepted bribes from drug smugglers.

Thirdly, the Attorney General said, Commissioner Rt Rev Drexel Gomez, Anglican Bishop of Barbados, portrayed and evidenced a "fundamental departure from the level of consideration expected of him" by concluding that he was "suspicious" of the source of some payments made to the Prime Minister.

Of the two ministers against whom adverse findings were made, only Mr Smith was charged before the courts but freed after drug trafficker Edward Ward was unable to identify him as the man to whom he had given bribe money.

Following Mr Adderley's address to the closing night of the PLP convention, Mr Nottage, who was the session chairman, broke down and wept as he thanked those who

had stood by him despite the July, 1983, NBC report, and the subsequent findings by the Commission. As tears streamed down his face, he said how pleased he was to be back on board the PLP ship. He described his close friendship with the captain of that "ship" - Prime Minister Pindling.

"The Commission of Inquiry Report remains a major issue to the political opposition to the PLP because they have been able to extract from it, and take comfort from it some of the conclusions reached by that report," Mr Adderley said in his lengthy address.

He said he respected the "honesty and integrity" of the three members of the Commission, Bishop Gomez, President Sir James Smith, a former Chief Justice, and Mr Edward Willis, a former Assistant Commissioner of the Royal Canadian Mounted Police.

Mr Adderley said that he accepted the fact that they "honestly and in good faith believed" what they eventually signed.

However, the Attorney General said that they are mortal and infallible men, not gods.

Mr Adderley said that "none of them would claim to be the infallible gods which they are represented to be by the FNM and their supporters" and are capable of errors and misjudgments.

He said that the reports of the Commission's hearings in the newspapers only succeeded in creating the mood and atmosphere within which the proceedings were being conducted.

"I believe I am in a position to stress opinions on the totality of the evidence, not on the bits and pieces which trickled out, in sometimes misleading segments in the newspapers," he said.

He said that there seemed to have been a belief that the Commission's report was above criticism, that because Government appointed its members, whatever they concluded could not be challenged.

"Do not accept that view," the Attorney General said. "Firstly, no public institution is above criticism and any person who performs public functions must be accountable for what they do. Accountability is supposed to help make them fair."

He referred to a few examples of findings by the Commission which he considered the most "personally distracting," and "unjustified conclusions."

"Unjustified by circumstance, by lack of evidence or by wrong or improper conclusions drawn from that evidence," he said.

"Firstly, I say that Mrs Ruby Nottage was unfairly and unjustly criticised by the Commission for performing a duty as an attorney," Mr Adderley told the convention to the applause of delegates and supporters.

"By putting on her, a higher ethical duty merely because she was the wife of a Cabinet Minister was not consistent with the standards of fairness expected of a tribunal of this kind," the Attorney General said.

"No such morality exists in the ethics of the legal profession," he said. "There is no ethics for the wife of a Cabinet Minister and a different kind of ethics for other lawyers. That just does not wash."

He said that the Commission thereby sought to impose on Mrs Nottage an "unknown professional responsibility which did not exist otherwise than in the mind of the

misplaced morality of counsel to the Commission."

Secondly, the Attorney General said that the Commission disclosed an "unfortunate misunderstanding" of the meaning of the word "fronting."

The Attorney General said that he understands the word "fronting" to mean that one is pretending to be the owner of something when in reality it belongs to someone else.

"There was no evidence before the Commission to justify the actual conclusion," he said.

He charged that many have been misled by the conclusion who have not read the evidence, do not understand what is in it and do not know that there is in that no such evidence to justify that conclusion against Mr Nottage.

Disclosing his interest in the matter, Mr Adderley said that firstly, Mr Nottage is his friend, and secondly, he had learnt "a little bit of law" in his office, and thirdly, he is "too biggety to front for anybody."

He said that nowhere during the course of that hearing did it ever arise as a concept for consideration by the commission until at the end of the day when it was put to the Commission by counsel for the Commission.

"He was never asked about it directly or indirectly. Never directly or indirectly asked. Never suggested to him directly or indirectly.

Never suggested to any witness directly or indirectly," the Attorney General said.

"Introduced for the first time by counsel to the Commission almost at the end of the day, then to be paraded in the report of the Commission as a charge against Mr Nottage, was a gross perverse travesty," he said.

He said the Commission reached the conclusion that Mr Smith correctly accepted funds

from known drug smugglers and in particular received \$100,000 from Edward Ward.

The Attorney General said that the Commission came to this conclusion in the absence of the evidence of the identity of the person to whom the money was paid, and the evidence of the subsequent failure of Mr Ward to be able to identify Mr Smith as the person to whom the money was allegedly paid.

"The Commission failed to exercise the prudence required to establish the certainty of identity in this regard, thereby causing what amounted in my view an injustice to Mr Smith in this matter," the Attorney General said.

"I have an interest here too, George is my friend and I tell you as I see it and I have got more right to tell you as I see it more than anybody else because you know and I know that the public interest of the Bahamian people and the respect I have for our legal system demanded that I do what I think, but I also know that at the end of the day, the right thing happened," he said.

The Attorney General said that there was a matter which involved Mr Edward "Dud" Maynard.

"There was enough evidence, although contradicted by him, to justify prosecution which I felt compelled me to do having



regard to the comments of the Commission," Mr Adderley said.

However, he said that the practical difficulty was the ultimate inability to compel the attendance of witnesses for the purpose of a criminal trial which was a matter which ought to have been taken into consideration.

"Having obtained the agreement of the relevant witness to attend, there was nothing which the court could have done to compel his attendance," Mr Adderley said.

"So in the absence of the evidence which the Commission had before it, some of which would not have been admissible, at the end of the day, the judicial system did the right thing," he said.

Finally, Mr Adderley dealt with the "confusion" with regard to the Prime Minister in the Commission's report which, he said, was dealt with in a "despicable fashion" by the Commissioners.

"I think that the final position was not arrived at by the application of the proper considerations of fairness to him or fairness and proper regard to the duty which they had to discharge," he said.

He quoted from the Commission's report on the Prime Minister's finances saying: "However, none of the known sources of funds made available to him appear to have been drug related."

"Why use the word 'appear'," Mr Adderley asked. "It makes all the difference to the sense and meaning of the sentence, it makes all the difference to the conclusions drawn and it makes all the difference about the conclusions which might be drawn about the character, honesty and integrity of the Prime Minister.

"If they had evidence which they were not prepared to accept or there was no evidence at all, as was the case, that sentence was supposed to have read: 'However, none of the known sources of funds made available to him were drug related' and that would have been the fair and proper finding

for that Commission to have made in that case."

Referring to the minority report of Bishop Gomez on the Prime Minister's finances, accepted by some, but which is "totally unjustified" based on the evidence which he heard.

"Totally unjustified by a man who signed the report, but even more unjustifiable was his conclusion, the effect of which was that although there was no evidence linking any payments made to the Prime Minister with drugs, he says he was *suspicious*, therefore he found it impossible to say the payments were all non-drug related," he said.

"In his honesty, I give him that. In his honesty and his innocence and perhaps his naivety, I fear the Bishop portrayed and evidenced a fundamental departure from the level of consideration which was expected of him in the exercise of the duty which was put upon him.

"By the use of the word 'suspicion' by him, he thereby disqualified himself as an impartial and a fair judge," the Attorney General said.

"Suspicion is an unacceptable and quite a wrong word on which to base a conclusion, and in my view destroys the meaning of anything which the Bishop had to say in his own document," he said. "It is unfair, and wrong and patently inconsistent with the rule of law and ought not to have been allowed to happen.

"The use of the word 'suspicion' in this vital context, in my view completely destroys the validity of anything which the Bishop said in the statement which he made," he said.

"Suspicion is the language of the investigating officer in the police force who is thereby directed to pursue an inquiry to find evidence, but you don't use suspicion, which is really only another word for prejudice," he said.

"But to arrive at a judicial decision based on suspicion is the patently unfair thing to do to any man," the Attorney General said.

# PLP-OUTSTED INGRAHAM BLAMES LADY PINDLING, 'CORRUPTION'

Nassau THE TRIBUNE in English 3 Nov 86 pp 1, 4

[Article by Athena Damianos]

[Text]

**COOPER'S Town MP**  
Hubert Ingraham said today he was expelled from the PLP because of a relentless campaign by Lady Marguerite Pindling, wife of the Prime Minister.

He said that her husband, Sir Lynden, and St Agnes MP Kendal Nottage, were part of the campaign.

Mr Ingraham was expelled from the PLP last week by a vote of 341-44, ostensibly as a result of a "constituency leadership conference" in Cooper's Town at which he protested the exclusion of the area's PLP leadership from the meeting.

But in reality, his problems with the PLP are the direct result of his opposition to Mr Nottage, whom the Commission of Inquiry found fronted for New England mafia figure/drug trafficker Michael Salvatore Caruana in the Islander Hotel, Freeport, venture, Mr Ingraham said today.

In a lengthy press conference at his Victoria Avenue law firm, Mr Ingraham described how his problems with Lady Pindling dated back to the time he was part of a House of Assembly committee investigating Everett Bannister, Sir Lynden's friend, and political influence peddling.

He also told of a conversation he had with Sir Lynden about an emerald necklace which, he said, Colombian

kingpin Joe Leher had intended as a gift for Lady Pindling.

But, he said it was after he told Sir Lynden at a private Chub Cay meeting in September, 1984, that he should not seek to keep Mr Nottage in Cabinet for reasons which were "obvious to the blind" that "my troubles and trials in the Party began."

Mr Ingraham said he chose to swim against the tide of corruption in the PLP, and it is for this that he is being disciplined.

Mr Ingraham said that former Deputy Prime Minister Arthur Hanna, who opposed his nomination as a PLP candidate in 1976, told him immediately after he had been elected:

"By next year you will be with us on this side because honest men can't stay on that side (meaning Pindling's side) for long."

Although he did not pay much attention to it at the time, in retrospect, Mr Ingraham said that what he was told by Mr Hanna "makes much sense."

"As the evidence at the Commission started to come out it became clear that some of my PLP colleagues, including Sir Lynden Pindling himself, were involved in serious, and in my opinion, unethical dealings," he said.

"I formed the view that this was the opinion of a large level of backbench PLP MPs and

Cabinet Ministers. Had it not been for the Commission of Inquiry, most of us, for instance, would not have known about the Paradise Island Bridge sale and the large cash gifts Sir Lynden had received from various persons and sources."

Mr Ingraham said that in his opinion Mr Nottage and Sir Lynden are one and the same.

"Let me say at the very outset that I was expelled from the PLP by Kendal Nottage, Lady Marguerite Pindling and Lynden Pindling. That they together orchestrated my expulsion and that they together ensured that they persuaded PLP delegates attending the Convention that I was an unfit and improper person to be a member of the PLP," Mr Ingraham said.

He said he used Lady Pindling's name very consciously knowing and respecting the view that the wife of politicians are normally not subject to public criticism.

"Of course, once you become an active politician like I am, then you are subject to the same attacks and criticisms that I am subject to," he said.

"Lady Pindling led a relentless campaign against me in the PLP for quite some time, culminating in the decision to expel me. She lobbied delegates, she provided them with her reasoning as to why I ought to go. And so I include her



amongst those who played a pivotal role in my expulsion from the PLP," Mr Ingraham said.

He said that of all those members of the PLP, of all of those accused of committing criminal acts and engaging in unethical behaviour, "there was only one member of the PLP who had done wrong and had done sufficiently wrong to be unworthy and unfit to be a member of the PLP."

Mr Ingraham was referring to himself. His name, however, was never brought into question by the Commission and his reputation stands untarnished.

At the conclusion of testimony in relation to the Bannister influence peddling committee in 1982, Mr Ingraham said he had occasion to visit Sir Lynden's private residence to deliver a confidential report prepared by those PLPs who were on the Committee.

Sir Lynden was not at home, he said, but Lady Pindling invited him in the house and accepted the report on her husband's behalf.

"During the course of a conversation with her at Long Bay, the influence peddling activities of Everette Bannister as did several activities by the late Dr Doris Johnson in relation to an intended purchase of Great Harbour Cay by a Mr Clint Merchantser (came up)," Mr Ingraham said.

"I recall most vividly - indeed I can never forget my utter shock and amazement - how Lady Pindling informed me that as a PLP I had a duty and an obligation to protect Bannister and Dame Johnson.

"When I protested in strong but gentlemanly language, she admonished me saying, 'Son

one day your turn will come and you will need protection. Don't forget the Prime Minister sleeps with me,'" he said.

As a result of certain information he received, Mr Ingraham said he told Arthur Hanna, Paul Adderley, Kendal Nottage and Perry Christie in a private conversation that he felt at least one Minister was probably guilty of wrong-doing and that something ought to be done immediately.

"I knew the message would get back to the leader - that's why I sent it," he said.

He said he got word while he was in Washington, DC, attending a World Bank/IMF meeting that Sir Lynden wished to see him about the matters he had discussed with his colleagues.

Sir Lynden told him he was disappointed that he (Ingraham) had spoken with other Cabinet Ministers instead of speaking to him first, Mr Ingraham said.

"I refused to discuss the matter unless and until the Prime Minister revealed the source of his information. Finally, he said Kendal Nottage had told him the following:

"I had said George Smith, Minister of Agriculture and Fisheries and Local Government, had led us all down the garden path as he (George) knew that he had received a BMW car from Joe Lehder, reputed drug king at Norman's Cay, together with an emerald necklace intended for delivery to Lady Pindling from Lehder or his organisation and I said that George Smith should resign," Mr Ingraham said.

"The Prime Minister then protested that George Smith had receipts showing he had purchased the BMW car with his own funds; that I was lying

on George which he didn't appreciate and that his wife had not received any emeralds as he would have known it."

(The Commission found that, on the balance of probabilities, the funds for the purchase of Mr Smith's BMW were provided to him by the Lehder organisation. On December 1, 1983, Mr Smith denied to The Tribune that he knew anything about emeralds intended for "the lady." The Commission said that Mr Smith was being "less than truthful" when he first gave evidence on the BMW).

"I then meticulously told the Prime Minister all I had heard about the BMW car and the emeralds," Mr Ingraham continued.

"I also told him that while my information was that George had not delivered the emeralds to Lady Pindling, it was my understanding that he still had them in his possession. I gave the Prime Minister the names of persons he ought to check with about this matter. These were Mr Nigel Bowe, Mr Ervin Knowles, PLP MP for Cat Island, Mr Charles Carter, PLP MP for Holy Cross, PLP activist Bodie and the then PLP NGC member for Rolleville, Mr Roy Bowe. I also told him why."

Mr Ingraham said he then proceeded to say that he believed his information and that Mr Smith would "lead us all up a garden path."

"The Prime Minister disagreed. I prevailed upon him to speak with George again and again about these matters. This he promised to do. We also discussed other matters which I still do not feel free to openly discuss," Mr Ingraham said.

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CSO: 3298/056

# FNM CALLS FOR RESIGNATION OF ADDERLEY, ROKER

Nassau THE TRIBUNE in English 7 Nov 86 p 1

[Text]

THE opposition Free National Movement has called on Prime Minister Lynden Pindling to "either get rid of" National Security Minister Loftus Roker and Education Minister Paul Adderley "or resign the whole Government."

In a press release issued this afternoon, the FNM said it is clear that Mr Roker and Mr Adderley will never agree, "and the country can only shudder to think what will happen when they are in disagreement in Cabinet on vital issues affecting the well-being of the whole nation."

The row between Mr Roker and Mr Adderley, said the FNM, "is one of the clearest examples of the supreme folly of the PLP government."

It is the outside indication that "there is something deadly rotten inside the Government, the stench of which has already

infiltrated the young lives of those students at the College of the Bahamas whose lessons have been interrupted, and which has spilled over into the everyday life of every concerned Bahamian," the FNM stated.

The FNM said it believes that the system of collective responsibility has broken down inside the PLP Cabinet.

"Ministers are running here and there, each doing his own thing, and the Prime Minister is obviously powerless to do anything about such a ridiculous state of affairs," said the FNM.

The Bahamas at this point in time, said the FNM, stands in a position where, should a matter of urgent and critical proportions emerge, with the need for Cabinet deliberation and decision, the people have no assurance that their rights and their interests can be effectively defended by the Government they elected for just such purposes.

"If ever there was government by crisis it is in effect in the Bahamas now," said the FNM. "And even when the crisis occurred at the College of the Bahamas several weeks ago, the Government could not handle it, and so college students had to take to the streets to force the Prime Minister to take some sort of positive action."

"The country cannot be governed in this fashion. The

people will surely suffer under an administration where there is no assurance that the principle of collective reasoning and collective responsibility is prevailing.

"It is for this very serious reason that the Free National Movement once more calls upon the Prime Minister to recognise that he and his government have failed in their sacred duties to the people and to resign his government and let the free Bahamian make a free choice in a Bahamas he says is free."

Mr Roker, said the FNM, has pointed out in no uncertain terms that there can be no accord between himself and Mr Adderley. Mr Roker even went so far as to accuse Mr Adderley of advocating keeping foreign lawyers out but bringing in foreign teachers. Mr Adderley on the floor of the recently ended PLP convention accused Mr Roker of misrepresenting the facts and of misleading the convention, stated the FNM.

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CSO: 3298/056

## BRIEFS

**IDB GRANT—Washington, 19 Nov (CANA)—**The Inter-American Development Bank (IDB) has announced the approval of a U.S. \$357,200 technical cooperation grant to the Bahamas to finance tourism market segmentation studies and to train Ministry of Tourism personnel in their execution. The project, which will be carried out by the Ministry of Tourism, is designed to increase the flow of tourists to the Bahamas. The tourism sector employs, directly and indirectly, some 42,800 persons, or approximately 43 percent of the country's labour force, and accounts for 54 percent of its gross domestic product, the IDB said. The Ministry of Tourism will use the bank's resources to contract a tourism market segmentation research consulting firm to carry out the studies and to train ministry personnel. [Excerpts] [Bridgetown CANA in English 2209 GMT 19 Nov 86 FL] /9274

CSO: 3298/056

QUESTIONS ABOUT CONTRA, GUERRILLA TRAINING SURFACE IN PRESS

Contra-Training Denial

FL091408 Bonaire Trans World Radio in English 1130 GMT 9 Dec 86

[For text of THE BELIZE TIMES article mentioned below, see page P 1 of the Latin America DAILY REPORT FBIS-LAM-86-216 of 7 November 1986]

[Text] The Belizean Government has denied an opposition charge that it has offered to let its territory be used as a training base for Nicaraguan rebels.

An opposition newspaper, THE BELIZE TIMES, charged Prime Minister Manuel Esquivel made the offer during a recent visit to Washington. Mr Esquivel has angrily denied the accusation.

Guerrilla Bases Under PUP

Belize City THE BEACON in English 8 Nov 86 p 8

[Text] DURING the years that the PUP managed the government, and particularly after the Musa-Shoman faction in the party began to influence the ear of George Price, there were persistent "leaks" circulating in public which suggested that Belizean territory was being used as a sanctuary by Guatemalan guerrilla units.

At that time, it was difficult for the public to decide whether PUP leaders knowingly encouraged these rebel visits, or whether the Price regime was actually helpless in preventing such illegal use of Belizean soil.

Recent revelations in the international press, however, strongly suggest that while George Price sat as Prime Minister, a number of ministers in his administration actually "closed an eye" to the guerrilla crossings occurring in the western sector of the country.

Considering the Musa-Shoman faction's philosophy of support for pro-Arafat-pro-Sandinista Salvadoran and Guatemalan rebels, it is not too difficult for the public to believe that this leftist section within

the PUP cabinet could have been responsible for the past government's tacit approval of use of Belizean territory as a temporary border sanctuary for rebels.

A responsible British newspaper referring to remarks credited to Sr. Francisco Villagran of the Guatemalan Foreign Ministry called the Belize-Guatemala problem "an issue of security...", and added: "... support for rebels is not a problem under the present (Esquivel) administration in Belize ... but, it has been a matter of concern in the past (during the Price regime) that Guatemalan guerrillas may have been allowed to use Belize as sanctuary or as a supply line."

While there does not seem to exist any hard-line evidence of the Price administration's complicity in this gross disregard for Belize's sovereignty, we do know that George Price and other present People's United Party leaders have lost so much credibility, and have been (and still are) involved in so many

blatant lies in an attempt to deceive the Belizean people, that the charges of a favourable PUP attitude towards the use of Belizean territory for guerrilla operations could very well be true.

If all these charges against the former PUP administration prove true, it tells a frightening story of what could occur if the PUP were accepted as a genuine opposition, and afforded the opening to return to political power.

Even to remain as the country's leading opposition party, PUP leaders would have to re-define and reform their party's policies for the People of Belize!

BDF Ex-Officer's Denial

Belize City THE BELIZE TIMES in English 16 Nov 86 p 2

[Letter to the Editor]

[Excerpt]

Dear Editor,

This letter is addressed directly to the disturbed columnist responsible for the article entitled PUP ENCOURAGED GUERILLA BASES IN BELIZE, written on Page 8 of the BEACON issue dated 8 Nov. 86.

The article endangers national security, and is nothing but sheer nonsense. However, matters go further than just nonsense; the obvious political zeal of the columnist could actually cost his own government severely in its dealings with the Guatemalan powers-that-be. I was directly involved at both junior and senior levels, alongside British Forces, in maintaining national security in our little nation for 18 years from 1968 to 1984, and I hereby quite categorically state that the article in question is completely false - in fact that article could be said to be treasonous. At the very least it is an insult to the memory of the dead British and Belizean soldiers, and those working today for the safety and security of the people and nation of Belize. Under no circumstances whatsoever would British Forces and their Belizean counterparts tolerate the presence in Belize of unauthorized armed personnel, especially of a revolutionary nature. It is a great injustice that no power in Belize at this time would take the BEACON columnist to task. A person like that should be taken directly to the Supreme Court to undo the damage done to the people of this nation by that incredibly stupid article.

/s/ Tom Greenwood  
Major BDF, Ret'd  
Former Second-in-Command

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CSO: 3298/059

GUATEMALA MAY BE RELAXING CLAIM TO BELIZE; TALKS RUMORED

Cerezo Remarks

Belize City THE REPORTER in English 2 Nov 86 pp 1, 4

[Text] President Vinicio Cerezo of Guatemala has said that Guatemala intends to abandon her long-standing territorial claim to Belize.

He made the statement to a British newspaper in Bohn, West Germany during a visit to that country earlier this month, but he did not indicate what he would ask for in return for dropping the claim.

THE LONDON TIMES of October 24 reports that Guatemala is in the process of completing a new set of proposals to put before Britain and Belize early next year--proposals which are expected to emphasize economic cooperation with special inputs from Britain.

President Cerezo gave the information in an interview to Robert Aguero, correspondent for the new London daily newspaper, The Independent. Aguero quotes the Guatemalan President as saying he intends to abandon his country's long-standing claim to Belize and declare Guatemala's "full recognition of Belize's independence."

This is the first explicit declaration to come from any Guatemala official that the claim against Belize would be dropped.

President Cerezo is reported as saying he hopes to open negotiations to incorporate Belize into the Central American community, and through better relations with Belize to open a road to the Caribbean for Guatemala.

"We are adopting a position diametrically opposed to that of the former military Government", President Cerezo is quoted as saying. "We intend



to discuss with Belize and not with Great Britain the point at issue between us, although we will take Britain's views into account," he said.

Meanwhile, back in Guatemala City the Guatemalan Vice Minister for Foreign Affairs Sr. Francisco Villagran, has been down-playing the Cerezo statements. The reports of what President Cerezo said in Bohn, he said, "were over-stated".

"They came from a problem with translation", Villagran said, adding: "But what is true is that there is a radical difference between the attitude of the previous government and the willingness of President Cerezo to recognize the existence of a distinct community living in that territory."

The Times report that Guatemalan officials privately acknowledge Belize's right to self-determination and recognize that they will have to negotiate directly with the Belize government. But in public these officials are obliged to be more circumspect since there are many in Guatemala, notably the army and the conservatives who insist on keeping up the claim.

Under the new Guatemala Constitution approved last year any settlement of the Belize claim has to be approved by a plebiscite.

Commenting on the Belize problem, Francisco Villagran said Guatemalan internal security was a key consideration.

"It is an issue of internal security and economic survival," he said. "Support for rebels is not a problem under the present administration in Belize, but it has been a matter of concern in the past that Guatemalan guerrillas may have been allowed to use Belize as sanctuary or as a supply line" he said, adding that Guatemala could not allow its security to depend "upon the whims" of the Prime Minister of Belize.

According to the Times, diplomats in Guatemala believe that although the public is largely apathetic to the Belize question, the unsophisticated electorate could easily be led by the opposition into treating the referendum as a vote of confidence for a government whose popularity has already begun to diminish.

Britain and Guatemala resumed consular relations in August this year and the two are expected to resume full diplomatic relations by the end of the year. In Guatemala the resumption of good relations with Britain is regarded as important since Britain holds the Presidency of the EEC. Many of Guatemala's bi-lateral loans for its \$2.25 billion foreign debt are with members of the EEC and Guatemala is anxious to renegotiate many of them. The next meeting of EEC and Central American Foreign Ministers is also due to take place in Guatemala City next year.

The job of re-structuring relations with Britain, according to The Independent, will fall to

Lic. Antonio Carrera, presently Guatemala Ambassador to West Germany but soon to be Am-



bassador to Great Britain once diplomatic relations are resumed.

### THE NEW PROPOSALS

The new Guatemala proposals are expected to emphasize economic co-operation and a growing interdependence between Guatemala and Belize. Under these Guatemala is expected to offer to:

1. Drop her opposition to Belize's acceptance as a full member of the Central American Community and the Organization of American States.

2. Agree to a plebiscite advocating full recognition for Belize as an independent state.

3. Ask for bi-lateral treaties which would deny Belize territory to rebels and terrorists.

5. Request a road linking El Peten to the Caribbean through Belize.

6. Lift the \*economic embargo which Guatemala imposed on Belize five years ago when Belize became independent.

\*The economic embargo has always been more shadow than substance since a brisk trade has always flourished between Belize and the land-locked province of El Peten, even though in the months following independence Bel-

zeans found it more difficult to travel to Melchor de Mencos, the provincial capital.

Similarly Guatemala's offer to accept Belize in the Central American Community, though welcome, comes too late to be greeted with warm enthusiasm. Belize will become a full member of the OAS in another four years, with or without Guatemala's blessing, and already Belize has begun to have a moral, though yet marginal effect on Central America because of her advanced laws and humanitarian attitude towards refugees and aliens.

## Frontier Commerce

Belize City THE BELIZE TIMES in English 9 Nov 86 p 12

[Text]

As from the 29 October the Government of Guatemala bowing to pressure of the non-compliance of closed frontiers with Belize have officially given in.

Neither the Belize side or the Guatemalan side of the frontier at Melchor de Mencos, or PG/Livingston bothered to obey the Guatemalan authorities when they "closed" the commercial frontiers. People on both sides just crossed at will.

According to the Guat newspaper EL GRAFICO, Lic. Julio Santos, Minister of Public Relations said that the policy of President Cerezo has declared that the Guatemalan Government wants to "have a

greater drawing closer with the people of Belize".

The Grafico admits that in actuality the commercial relations had never ceased at the two frontiers.

Minister Santos pointed out however that the resumption of commercial ties "did not signify that Guatemala had abandoned her claim to Belize from the Government of the United Kingdom".

What is meant, he said, is a relation with the Belizean people, against whom our country has no dispute.

Back to square one. They don't recognize Belize's Independence and will deal only with Great Britain for a solution.

## Report of 'Secret' Talks

Belize City THE BELIZE TIMES in English 16 Nov 86 pp 1, 16

[Text]

According to a most reliable source, the Belize Minister of Foreign Affairs Mr. Dean Barrow and the Guatemalan Foreign Minister were scheduled to hold talks this week on the Anglo-Guatemalan dispute or what they now refer to as "the Belize controversy".

This secret meeting was intended to take place in Guatemala under the cloak of the meeting of the Organization of American States (OAS) convened there over this past week.

We have been unable to discover who set up this meeting and what hand the British or anyone else played in the arrangement. Indications are however, that the Brits were not scheduled to participate in the discussions despite their new presence in Guatemala following the re-

establishment of consular relations.

The crisis blew when Barrow chickened out, cancelled his attendance at the OAS meeting and sent Ambassador Laing from Washington. According to a highly placed diplomatic source, Barrow has offered no plausible explanation or excuse for his conduct. The Guatemalans who had swallowed their pride in order to meet with Barrow are now furious.

According to a recent issue of THE REPORTER, President Vinicio Cerezo of Guatemala, while on a European tour indicated his readiness

to settle the dispute with Britain over Belize. The Belize Prime Minister, Mr Equivel, has also boldly declared his willingness to negotiate directly with Guatemala at any time and at any place. This has led some to believe that Belize may be assuming full responsibility for the settlement of the dispute, letting the British off the hook. The Guatemalans have not indicated what price they will seek to exact for the settlement of the dispute.

A spokesman for the Belize Ministry of Foreign Affairs has denied that the Foreign Minister had planned to attend the OAS meeting and has further denied that Barrow had agreed to meet with the Guatemalan Foreign Minister. Time will tell "what's been hid and what's been did."

Meanwhile at the United Nations the Belize Representative, Ken Tillett, is reported to have snubbed Belize's Central American Ambassador Santiago Perdomo and kept San waiting outside in the corridor. Tillett, it would appear, feels threatened by the presence of Perdomo who was at one time touted as UN Ambassador but who was passed over by Foreign Minister Barrow who classified him as a security risk!

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CSO: 3298/059

AGREEMENT REACHED WITH MEXICO ON PRISONER EXCHANGE

Belize City THE BEACON in English 22 Nov 86 pp 1, 3

[Text] Following discussions held this week with Mexican officials, Attorney General and Minister of Foreign Affairs and Economic Development Mr. Dean O. Barrow secured an agreement to provide for an exchange of prisoners between the two countries.

Mr. Barrow, accompanied by Ministry of Foreign Affairs Assistant Secretary Ms Perla Perdomo and Mr. Jorge Valencie, Honorary Consul of Belize in Chetumal, Q.R., was in Mexico to preside at Wednesday's inauguration of the Belize Embassy in Mexico City. The embassy began operations on November 1, and is headed by Charge d'Affaires Mr. Atley Morales. A government source states that Mr. Morales, a Belizean diplomat formerly employed with the British Foreign Service in Mexico, will continue to head the Belize Mission there until an Ambassador is appointed.

The prisoner exchange talks were held between Mr. Barrow and Mexico's Foreign Secretary Sr. Bernado Sepulveda Amor and Attorney General Dr. Sergio Garcia Ramirez.

The exchange will not mean that the persons affected will be released from custody. A Government Information Service source states that under the agreement, Belizeans imprisoned in Mexico will be allowed to complete serving their sentences in a Belize prison, and Mexicans jailed here will be allowed to complete their sentences in Mexican prisons.

At present there are as much as 20 Belizeans now in Mexican jails. Of these 6 are serving terms of two to nine years, 9 have been convicted and are awaiting sentencing and 5 have appealed against their convictions. Our source states that there are now less than half a dozen Mexicans in the Belize Prison that will be affected by the exchange agreement. There has been no indication when the agreement will be implemented.

Mr. Barrow, who is now in Miami to participate in a regional conference on export promotion and investment, joined in the ratification of an agreement on technical and scientific cooperation signed earlier between Mexico and Belize, before leaving Mexico City.

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CSO: 3298/059

MINISTER OF AGRICULTURE VISITS JAPAN FOR 'FRIENDSHIP' TALKS

Belize City THE BEACON in English 8 Nov 86 pp 1, 2

[Text] Bilateral Belize Japanese Friendship Societies are in the process of being established that could lead to a new era of friendship and cultural and commercial relations with Japan.

Minister of Agriculture, Hon. Dean Lindo, reported on the new developments when he returned from Japan at the weekend. Mr Lindo, who's trip was hosted by the Japanese, visited Tokio, Nagoya, Hiroshima and the shrine city of Kyoto and met with top political, business and educational leaders while in Japan. He held discussion with Japan's Foreign Minister and with the newly elected Chairman of the just created Japan Belize Friendship Society, Former Japanese Deputy Prime Minister, Mr. Masumi Esaki. Mr Esaki is also Chairman of the International Economic Development Measures Committee. Mr. Lindo said that he expected the Belize Japanese Friendship Society to be formed here shortly.

"Without exception, everyone I met in Japan was most interested in Belize, especially her Mayan past and her economic future." Mr. Lindo said, He added that he had had talks with the Chairman of the Board of Trustees of the Nippon University and that there was a possibility of scholarships being granted to Belizean students. He also held "important" discussions with Japanese shipping and fishing firms and interests and hoped that these would eventuate in benefits to Belize in the near future.

Mr. Lindo also met with the mayor of Hiroshima during his visit. As a result of the meeting a Library of "Belize and Belizean Affairs" will be established in Hiroshima. The Mayor, Mr. T. Araki, made the offer of establishing the library to Mr Lindo. It will cover all aspects of Belize, including agriculture, tourism and commerce.

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CSO: 3298/059

# KOREANS OPEN GARMENT FACTORY, EYE OTHER PROJECTS

Belize City AMANDALA in English 14 Nov 86 p B

[Text]

BELIZE CITY, Tues. Nov. 11

BELCOR, a garment manufacturing factory established by Koreans Dong Y. Chung and John Kwan, was officially declared open this afternoon at its premises at #31 corner of George and Church Streets, a building popularly known as "Happy Hour".

Present at the opening ceremony was the ambassador of the Republic of Korea in Mexico, Mr. Choong Whay Koo, who took the opportunity to present \$97,000.00 to the government of Belize, the first portion of a \$200,000.00 donation from the government of the Republic of Korea.

Receiving the money on Belize's behalf was Foreign Minister Dean Barrow.

Minister Barrow, after thanking Ambassador Koo and his government, said that of the money, \$50,000.00 will be used for the Belize University College Library; \$32,000.00 will be used for Rogers Stadium and \$15,000.00 will be used to build an access road to Gales Point, Manatee.

Others present at the opening were Financial Secretary Sir Edney Cain, Deputy Minister of Tourism Henry Young, lawyers Wilfred Elrington, Bernard Pitts and Ellis Arnold, and softball commissioner Hilly Martinez.

BELCOR's President Mr. Dong Y. Chung, in his briefing at the start of the opening ceremonies, said that his business will start with a score of local employees

and nine skilled Korean employees.

Seven of the twenty local employees are seamstresses who were employed by Tabony Enterprises.

Tabony Enterprises, it was learned, will still be selling T-shirts on the local market. The only difference is that they will be made by BELCOR.

BELCOR, on the other hand, will export all its brand name garments, which includes shirts and sweaters, to the United States.

According to Mr. Chung he is expecting that by next year BELCOR will have about one hundred Belizeans employed and will be exporting \$2 million worth of garments to the United States. BELCOR also hopes to invest in an electronic assembly plant, hotel construction, and low-cost housing.

A number of gifts were presented by BELCOR to guests at the opening.

[(Editor's Note) A report in Belize City's THE REPORTER of 16 November, page 1, adds that in addition to Belcor, "Other projects in the pipeline include an electronics assembly plant, again with exports geared to the United States, tourism and construction projects. To make sure that he would have the ability to train Belizean workers the Belize Government has approved residency and work permits for seven or eight skilled Korean workers who will form the core group for training and teaching the new skills."]

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CSO: 3298/059

PAPER SEES 'KAFKAESQUE ELEMENTS' IN SPECIAL BRANCH

Belize City AMANDALA in English 14 Nov 86 pp 2, 12

[Excerpts]

All nations appear to have secret services. The best known of them is the Central Intelligence Agency of the United States. Russia has its KGB, Britain its M.I.5, Israel its Mossad, Iran its Savak, and so on.

In Belize, the secret service, paid by Belizean taxpayers, is called the Special Branch, and very few Belizeans even know of its existence. So in that respect at least, our secret service is successful, in that it is secret.

Now Belize is about to learn of the existence of the Special Branch.

Organizationally, Special Branch is an arm of the Belize Police Force, and during colonial days that was no problem at all.

With the arrival of self-government in 1963, and the increasing power of the PUP Cabinet vis-a-vis Government House, through the 60's and 70's, Special Branch became more Belizean in composition and the impression it gave was of being mostly concerned with investigating, keeping tabs on, and compiling dossiers of, those individuals and organizations which were hostile to the PUP government.

Before the replacement of the entrenched PUP by the UDP in December of 1984, it could safely be said that only a privileged few in the PUP Cabinet knew exactly how Special Branch was composed and exactly what it was supposed to be doing.

Today, only a privileged few in the UDP Cabinet are exactly sure, but it is safe to say, again, that those who were the privileged few in the PUP Cabinets have a very good idea of Special Branch today. In fact, we would venture to suggest that, just as the PUP appears to have eyes and ears in every government department, the PUP has eyes and ears inside Special Branch.

This newspaper's knowledge of Special Branch, or more precisely, our impressions of Special Branch, were gathered in the late 60's and the 70's, when we were considered "security risks" and were special targets of Special Branch.

We have never before blown the whistle on these amateurish spies and secret agents. But last week in the Supreme Court, a defence counsel for an accused murderer, a BDF officer, used as a vital part of his defence the allegation that the accused had been involved in an undercover narcotics operation for Special Branch when the alleged murders occurred.

The defence was very successful. The accused murderer will serve only six months, and for manslaughter.

Apart from the fact that the defence counsel happens to have been a high ranking member of the PUP Cabinet from 1979 to 1984, what we find extremely intriguing is the suggestion that Special Branch may now be involved in undercover narcotics operations. Additionally of note is the fact that a precedent has been set for defence counsel to follow in cases of this sort, and you can be sure this precedent will be used again to raise doubts in the minds of other jurors.



Special Branch, like most bureaucracies, is slow moving and has a long memory. Once you are given a ranking on the security list, you never come off the list. You are branded for life by an organization your tax dollars may be financing, but over which you have absolutely no control.

There are Kafkaesque elements here.

The newspaper feels that the people of Belize now need to know a bit more about Special Branch and its doings. We have the uncomfortable feeling that this organization, originated to serve the overseas interests of London, may be less concerned about the safety and welfare of Belizeans than it is about doing the bidding of those foreign powers which are training them.

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CSO: 3298/059

## CENTRAL BANK REVIEW OF FY 85 SHOWS WORSENING ECONOMY

Belize City THE BELIZE TIMES in English 23 Nov 86 p 3

[Text]

The Report of the Central Bank of Belize for the fiscal year 1985, dated April 29, 1986, and only now published confirms what Belizeans from all walks of life have been feeling - economic malaise and a worsening of the financial situation.

#### 1. GOVERNMENT'S CASH DEFICIT GOT WORSE

Says the Report: "The Central Government's overall cash deficit increased from \$23.8 million in 1984/5 to an estimated \$49 million in 1985/6". So there was a worsening of Central Government's fiscal position. The current account deficit widened from \$2.3 million in 1984/5 to \$4.5 million in 1985/86.

#### 2. TRADE DEFICIT WIDENED

Says the Report: "Belize's trade deficit widened by US\$2.6 million to US\$27.2 million in 1985. Imports contracted by US\$1.1 million to US\$113.8 million, but this small positive effect was more than offset by a contraction of export receipts. Export proceeds fell by US\$3.7 million or 4.1% to US\$86.6 million".

#### 3. COMMERCIAL CREDIT CONTRACTED

Loans and advances to the private sector fell \$9.4 million to \$121.1 million. This came about, says the Report, by the increase in the minimum lending rate by two percentage points accompanied by tighter commercial bank cash reserve and approved liquid asset requirements and by an increase in the Treasury Bill rate.

#### 4. UDP GOVERNMENT BORROWED MORE

On domestic credit, the Report states: "During the year Central Bank loans and advances to the Central Government rose by \$11.6 million to \$29.3 million"... and "net credit from the commercial banks to the public sector rose by \$6.9 or 70% to \$16.8 million".

#### 5. EXTERNAL DEBT CLOSE TO US\$100 MILLION

The Central Bank Report states: "The outstanding external debt of the public sector increased from US\$74.7 million at December 31, 1984 to US\$98.4 million at December 31, 1985". This is an increase in one year of US\$23.7 million. Drawdowns on new and existing loans increased from US\$9.5 million in 1984 to US\$26.6 million in 1985 largely as a result of borrowings from I.M.F. and USAID.

The Report points out that the level of private sector external debt is not known "but is believed to be substantial" and cautions: "There is therefore a growing need to increase export earnings and to generate adequate domestic public sector savings to meet external debt service

payments, and to reduce dependence on external financing for developing the infrastructure for sustained growth".

#### 6. RESERVES

"The net official reserves position strengthened by US\$7 million in 1985 largely as a result of borrowing under the L.M.F. and USAID programmes"

#### 7. CONSUMER PRICES UP

Despite pronouncements to the contrary from the Minister of Finance the Central Bank Report states that "the National Retail Prices Index rose by 3.3% in 1985. A sharp increase 6.8% occurred in the category comprising miscellaneous and luxury items.

#### CONCLUSION: ECONOMY STAGNANT!

According to the Report: "Preliminary estimates indicate that there was no significant change in real GDP in 1985 compared with a growth rate of 1.3 % in 1984." Agricultural production fell 4.9% in real terms and with the massive increases in taxes, lay offs in several industries resulting in growing unemployment (which figures incidentally the government has refused to release) the economy in 1985/86 may be described as stagnant and depressed with no hope for better while the present misguided policies of the UDP continue to plague us.

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CSO: 3298/059

## BELIZE

### BRIEFS

CDB LOAN--The Caribbean Development Bank (CDB) has approved its first loan to Belize since the new government eliminated arrears on overdue debts incurred by the previous administration. At a meeting held at the CDB Headquarters in Barbados last Thursday (30 October) the Bank's Board of Directors approved a loan of U.S.\$3.079 million to Belize. The funds will be utilized by the Belize Electricity Board to upgrade and expand its distribution and transmission systems with a view to reduce electricity wastage. This project is part of a larger investment programme being undertaken by the Belize Electricity Board with the cooperation to the World Bank and the Commonwealth Development Corporation. The CDB has also approved a grant of U.S.\$97,700 from the pre-investment programme administered jointly by the Caribbean Development Bank and the Inter-American Development Bank. This money will be used to acquire managerial and technical consultancy services to improve the management and financial status of the Belize Port Authority. The Caribbean Development Bank will shortly be considering applications from Belize for funding assistance in the fields of housing, agriculture, education, citrus and for the construction of additional prefabricated factory buildings in industrial zones. [Text] [Belize City THE BEACON in English 8 Nov 86 p E] /8309

PUP CANE FARMERS VICTORIES--With the elections of all eight branches of the Orange Walk Cane Farmers Association over, the People's United Party has won seven branches reflecting an overwhelming support for the PUP and its good administration. The PUP won in Orange Walk Town, San Esteban, San Jose, San Lazaro, Douglas, San Roman and regained Yo Creek which was previously held by the UDP. Re-elected as Chairman of the Orange Walk Division was Mr. Santiago Rosado. Vice Chairman is Mr. Apolonio Patt from the San Jose Branch. The PUP has also won the majority of the branches in the Corozal Division of the Cane Farmers Association. [Text] [Belize City THE BELIZE TIMES in English 2 Nov 86 p 4] /8309

CSO: 3298/059

SARNEY DENIES ARINOS DRAFT CONSTITUTION WILL BE IGNORED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Sep 86 p 6

[Article by Carlos Chagas]

[Text] Thursday night, President Jose Sarney made two tense, almost anguished telephone calls from his official residence. One was to Master Afonso Arinos, the other to Paulo Brossard. He thus succeeded in dispelling a misunderstanding of such serious proportions that, were it not resolved, would have inducted him into the gallery of bad politicians and rude government leaders.

In his call to the chairman of the already dissolved Provisional Commission on Constitutional Studies, Sarney denied the story being disseminated at that time by radio and television, based on information provided by his press secretary. Fernando Cesar Mesquita had said that the government would file away the draft prepared by the distinguished panel because the president disagreed with many of its aspects. His statements created ill-feeling between members of the Provisional Commission and the family of Afonso Arinos, who shortly before had been praised by Sarney himself and had been awarded the highest rank of the National Order of Merit. The president explained to the former foreign minister that he had commented to his spokesman that the government would not submit the draft to the current Congress now because it does not have anything to do with the Constituent National Assembly that has not yet been formed. In order not to give the impression of interference, it planned to forward the text in response to a naturally future request of some of the members of the Assembly. He explained that it was a matter of necessary caution. He did not want to be premature and wanted to demonstrate that the Executive recognizes the full sovereignty of the Constituent membership, without slighting or circumscribing it. He had not yet had time to examine and ponder the proposals of the Provisional Commission presented to him at the ceremony held that afternoon. He was hastening to set things straight in view of the reports disseminated in the evening newscasts, which gave the impression that he had rejected the text--which incidentally had been ordered by the Executive as input for the future Constituent National Assembly--and had been ordered that it be definitely filed away.

Arinos accepted the president's explanations, told him that he had never imagined otherwise, and considered the incident closed.

Sarney's second telephone call was to Paulo Brossard, asking him to use the occasion of his appearance on a television program that night to publicly dispel the misunderstanding. The minister of justice complied with the recommendation and discussed the government's position. He emphasized the importance of the distinguished panel's report and revealed that the government will appraise it, submitting it for discussion by various representative organs of society. When the Constituent National Assembly meets, all of the material will be at its disposal. Not even all of the distinguished panel completely approves the proposal that emerged from the group of 50 jurists and representatives of various social sectors. All of them signed the text as a show of unity and it is important that the matter be further discussed and debated, and decided as the constituent deputies see fit. They may accept the suggestions or reject them and no one will feel offended. The government is doing its part in promoting input "for future collaboration with the work of the Constituent National Assembly," as the decree which established the Provisional Commission says.

Yesterday, everyone was satisfied but the temperature ran high in Brasilia until word of Sarney's actions got out. Not only Master Afonso Arinos' family reacted to the interpretation of the Presidential Palace spokesman's statements. Many of the members of the distinguished panel were irritated, considering what might have been a display of disrespect on the part of the government toward the commission that it itself established. They were prepared to issue an official note of protest. Even though he was not a member of the group, former Minister of Justice Fernando Lyra expressed a willingness, once elected to the Constituent National Assembly, to ask for the floor and request that the Presidential Palace immediately submit the proposal--a possibility that, in fact, remains open.

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CSO: 3342/5a

RENE ABELIUK APPOINTED NEW AD PRESIDENT

PY041301 Santiago Radio Chilena in Spanish 1600 GMT 2 Dec 86

[Text] Social Democrat Rene Abeliuk was installed today as president of the Democratic Alliance [AD] for a 6-month term. In his first statement, Abeliuk said that the AD will continue to insist on an agreement with the Armed Forces and the government in order to find a political solution to the Chilean crisis.

In a press conference, Abeliuk said that the Chilean Social Democratic Party [PSD] and the other AD parties plan to implement in the next few months a major peaceful offensive aimed at consolidating and ensuring the restoration of democracy in the country.

[Begin Abeliuk recording] The AD will try its best to attain this goal, and will insist on reaching an agreement with the Armed Forces and the government, in order to find a political solution to the Chilean crisis. We will urgently propose some measures to ensure the peaceful restoration of democracy and an adequate atmosphere for an accord among all Chileans. In this way, we will isolate both left-wing and right-wing extremists who might attempt to bring about conflict. Through our political activities, we will try to put an end to exile, which has become intolerable; to the state of siege; and to all other measures that restrict freedom. [End recording]

There should be full freedom of information, television stations should be open to all national sectors, universities should be autonomous. In other words, there should actually be tangible progress toward political and social normality, Abeliuk said.

[Begin Abeliuk recording] This whole process should lead to a reorganization of the institutional system, so that Chile can have truly free presidential and municipal elections, as well as an entirely elected national congress with full powers. The AD will participate open-mindedly and without hegemonic desires in a broad national campaign for free elections, along with all citizens who share the belief that this is the only peaceful way to solve the conflict that has eroded and divided Chilean society. [End recording]

Abeliuk also said that concern over this major national problem should not make us forget the dramatic situation of many of our countrymen. He added that the PSD will analyze in depth the problems of unemployment and the decrease of the purchasing power of the great majority of Chilean workers.



[Begin Abeliuk recording] We believe that home-mortgage and other debts, which are growing at the same rate as inflation and on which usurious compound interest is being charged, continue to exert dramatic pressure on the Chilean people, in view of the absence of an adjustment mechanism.

We believe that this problem, which affects all Chileans, must be resolved. We believe that certain problems will not be fully solved without the full participation of the people, and this can only happen with democracy. At least, the worst economic distortions must be corrected through a salary readjustment, the U.S. [unit of account corrected for inflation] must be replaced by a fair and equitable mechanism, and the [word indistinct] eliminated.

Abeliuk added that his party is concerned about the total absence of national debate and the lack of clarity on the policy of the privatization of state companies, especially of those companies the government took over because of bankruptcies.

Armando Jaramillo was appointed as AD vice president and Eduardo Cerda will remain as AD secretary general.

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CSO: 3348/134

REACTIONS TO LEFTISTS' DOCUMENT ON VIOLENCE

PY040114 Santiago Radio Chilena in Spanish 1600 GMT 2 Dec 86

[Text] The document issued by the Communist Party [PCCH], the Almeyda faction Socialist Party, and the Christian Left, was analyzed by Christian Democratic Party [PDC] President Gabriel Valdes who said that the PCCH has not changed its strategy despite its recent declaration and behavior.

Valdes was interviewed about the subject after a Democratic Alliance [AD] meeting.

[Begin recording] [Valdes] According to reports I have and those received by our party, we cannot see any changes in the PCCH strategy, despite its recent declarations and behavior.

[Reporter] Do you think that the PCCH document is an attempt to approach the opposition?

[Valdes] I do not know. I must study it. We will study it within the AD, and then we will give our opinion.

[Reporter] Is this a maneuver to hinder things...

[Valdes] [interrupting] I do not wish to make any guesses, because the document still has not been thoroughly studied.

[Reporter] [question indistinct]

[Valdes] No, we will maintain our position. We will base our actions on a clearly established policy, and on well-known facts. [end recording]

Valdes said that the PDC will not establish any dialogue with the PCCH, since there is no reason for establishing one. He added that the document signed by the three leftist parties have several ambiguous points.

Meanwhile, Social Democratic Party [PSD] President Rene Abeliuk said that the leftist document has positive and negative points.

[Begin Abeliuk recording] We must study it more deeply, before we can make any definite decisions. Anyway, the document has some positive aspects which could lead one to think that the leftist Marxist-Leninist sectors of this country are beginning to review their positions and to abandon their violent methods.

However, we also (?demand) a very categorical definition in this sense, because we are convinced, and it has been shown that the violent actions carried out by the extremist opposition are favoring the dictatorship instead of harming it. This is obvious if you look at recent events.

We would like the Marxist-Leninist left of this country to really define itself categorically. There will always be credibility problems because in the end, the important things are facts. The interesting thing will be for the Marxist-Leninist left of this country to prove that it has really abandoned violence as a means to reach power. [End recording]

Republican Party President Armando Jaramillo said that he had read parts of the document in a Santiago newspaper. He said that at first glance he finds the document to be positive.

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CSO: 3348/134

CHILE

RADICAL PARTY LEADER REFUTES CUADRA'S CHARGES

PY041316 Santiago Radio Chilena in Spanish 1600 GMT 3 Dec 86

[Text] Radical Party President Enrique Silva Cimma today publicly refuted Government Secretary General Francisco Javier Cuadra's comment to the press on Silva Cimma's upcoming trip to Israel. Secretary Cuadra charged that Silva Cimma's trip to Israel is aimed at negotiating the suspension of the sale of Israeli arms to the Chilean Government.

Refuting Cuadra's charge, Silva Cimma said: Cuadra's remarks are untruthful, and I categorically deny them. Secretary Cuadra should have verified the reliability of his sources before disseminating the information. Cuadra's remarks have also wronged the government of the free and sovereign state of Israel, Silva Cimma said.

The president of the Racial Party added that Cuadra's inexperience and bias cause him to abuse his power and access to information, and make him accuse people with impunity.

Silva Cimma also termed false Cuadra's veiled remarks about Silva Cimma's alleged negotiations abroad, which Cuadra charged were aimed at preventing SAL [Structural Adjustable Loan] credits from being approved. Answering Secretary Cuadra, Silva Cimma said that it is publicly known that, at a meeting of the Socialist International [SI] Council, the SI delegation that visited Chile proposed a resolution recommending the SAL credits to Chile be withheld. Silva Cimma said: I myself reported this recommendation to the national press.

He added that a government official must tell the truth if he wants to honor the dignity of his position. Silva Cimma concluded by saying that this principle has been traditionally respected in Chile since the days of Don Giego Portales [Chilean statesman 1793-1837], and that unfortunately, this principle seems to have been overlooked by Secretary Cuadra.

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CSO: 3348/134

BARCO, CONSALVI HAIL COLOMBIAN-VENEZUELAN TIES

PA262325 Bogota EL TIEMPO in Spanish 23 Nov 86 pp 1-a, 2-a

[Text] Commenting on relations between Colombia and Venezuela, President Virgilio Barco Vargas has stated that his government is interested in continuing along the path of honest and cordial dialogue regarding bilateral goals such as social progress and welfare.

Barco remarked that he hoped to foster a healthy policy of rapprochement to facilitate the rational use of natural resources. He added that there must be broad, ambitious cooperation and that we must place all our will at the service of causes that are mutually beneficial for our people.

The president made these remarks during a luncheon in honor of Venezuelan Foreign Minister Simon Alberto Consalvi and the delegation visiting Colombia.

Barco Vargas mentioned the existence of problems--such as the demarcation of maritime areas--which do not form the basis for our common relationship.

The president said that these problems have "inexplicably affected fields of action where it is advisable to seek joint solutions and to overcome all difficulties with a renewed commitment to reaching an agreement."

"In this way, we can negotiate plans to avoid duplication of efforts and misuse of those opportunities which our long-standing commercial and friendly ties afford us," the head of state affirmed. He added that undoubtedly any prospect for the rapprochement between two peoples must be based on common interests, fairness, and friendship. Moreover, he said that Colombia and Venezuela are capable of increasing the flow of their prosperity and of stimulating the currents of their commercial exchanges through a policy of reasonable agreements.

Barco said that the arrival of the Venezuelan foreign minister and his retinue in Colombia reaffirmed the importance which Latin America attaches among the states of the region. [sentence as published] "This is a splendid opportunity for us to reiterate together our firm decision to intensify efforts which have been under way for several years," he added.

The president stressed that Colombia is by nature an integrationist country. Its participation in diverse international organizations have defined its spirit of cooperation.

The Colombian Government is prepared at all times to maintain its commitments to integration, especially with Venezuela, the president said.

He proposed working tirelessly to achieve the change which is so necessary and for which our people are yearning. "It will be a real change in living standards and the capacity to rule our own destinies," Barco noted.

"We have the firm conviction that, as President Jaime Lusinchi stated, no difficulty shall stand in the way of the traditional friendship between Colombia and Venezuela," he stated.

"Fortunately, our governments are determined to prevent secondary problems from undermining the harmony which we are prepared to preserve at all cost," Barco said.

#### Consalvi Speaks

Venezuelan Foreign Minister Simon Alberto Consalvi stated that he concurred with President Barco Vargas' views. He remarked that "if we do not walk together, if we are not intelligent enough to understand our role at this point in our history, while not negating the immense Colombian-Venezuelan possibilities, we would certainly be diminishing them. I say Colombian-Venezuelan possibilities so as not to distinguish between Colombia and Venezuela and in order to establish the deep ties in which we believe," the Venezuelan official said.

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CSO: 3348/132

COMMERCIAL SURPLUS OF \$131 MILLION REPORTED

PA300203 Bogota EL SIGLO in Spanish 27 Nov 86 p 9

[Article by Pedro Pinto Pardo]

[Excerpts] The export and import balance of the Foreign Trade Institute, INCOMEX, as of 24 October 1986 showed a surplus of \$131 million, while the balance as of the same date last year showed a deficit of \$992.1 million.

According to INCOMEX figures released exclusively to EL SIGLO, this surplus is the net result of exports worth \$3.9068 billion and imports worth \$3.7758 billion.

Exports

At the end of the penultimate week of October, exports totaled \$3.9068 billion. This figure represents an increase of \$1.3809 billion or 54.7 percent over the figure as of the same date last year. It is to be observed that this figure does not include exports of oil or oil byproducts.

Coffee

Of the total registered, \$2.5927 billion, or 66.3 percent, resulted from the export of 9,595,000 60-kilo bags of coffee.

Minor Exports

Exports other than oil and oil byproducts reached \$1.3141 billion as of 24 October 1986. This represents an increase of nearly \$220 million over the period between January and 24 October 1985.

The total exports, broken down according to the type of products, amounted to \$1.2382 billion as of September 1986. Sales in the agricultural and livestock sector saw a reduction of \$1.6 million. This represents the difference between \$420.1 million as of September 1986 and \$421.8 million on the same date the previous year. According to their importance by value, the leading exports include bananas. With an export figure of \$160.6 million, bananas still lead export products, despite a reduction, among those termed "minor." Next come flowers with a sales figure of \$108.5 million; sugar with a sales



figure of \$24.4 million; short-fiber cotton, \$23.4 million; long-fiber cotton, \$14.2 million, and tobacco, \$20.1 million.

As for the mining sector, foreign sales as of September amounted to \$207.3 million, which represents a 49.5 percent increase over those of last year's similar period. Most important in this sector is bituminous coal, the export of which contributed 77.5 percent of mining products revenues. The export of emeralds is also important. It reached \$25.1 million, which represents a 38.4 percent increase.

Industrial exports reached \$655.6 million, for a 22.1 percent increase. The greatest amount of sales occurred in the chemical industries sector, which reached \$131.5 million. This was followed by the metal manufacturing exports, which amounted to nearly \$123 million. According to their importance, these exports are followed by those of clothing, spinning, hides, food, and ferrous nickel products, among others.

#### Import

INCOMEX' imports records approved as of 20 October 1986 indicate \$3.7558 billion. This figure is higher than the previous year's by \$257.8 million, or 7.3 percent.

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CSO: 3348/132

COLOMBIA

GUERRILLAS STEAL NEARLY 1,000 KILOS OF DYNAMITE

PY262110 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 26 Nov 86

[Text] Bogota--Nearly 1,000 kilos of dynamite were stolen by alleged guerrillas in two separate incidents in the Putumayo Intendency and Cesar Department. Meanwhile, two members of a new insurgent movement were killed in the peaceful Guavi region of Cundinamarca.

The National Defense Ministry confirmed that alleged guerrillas assaulted the lower Putumayo Work Depot No 14 installations and after overpowering workers took 750 kilos of dynamite. Near Curumani, Cesar Department, members of the Camilo Torres Front of the National Liberation Army, the same group that has claimed responsibility for terrorist attacks on oil installations in the east, assaulted a railroad car and stole 120 kilos of dynamite.

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CSO: 3348/132

UP BLAMES ARMY FOR MURDER OF ACTIVIST IN ANTIOQUIA

PA271735 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 27 Nov 86

[Text] Medellin--The Patriotic Union [UP] coordinating board in Antioquia reported the murder of its activist Gustavo Alonso Macias Borja in Bachira, Mutata Municipality, in Uraba Region. The UP has blamed the Army for this. According to the UP, on Wednesday at 0600, army units commanded by Captain Carlos Flores and Lieutenant Romulo Cordon Cordon and a civilian Eduardo Diaz Cuesta arrived in Bachira and killed Macias Borja.

The UP also condemns the terrorist attack carried out by the so-called Army of National Liberation against one of the dredgers of Mineros de Antioquia Co. in El Bagre, which has left hundreds of people unemployed.

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CSO: 3348/132

COLOMBIA

POLICE SEIZE DYNAMITE, ARREST ALLEGED REBELS

PA290003 Bogota Cadena Radial Super in Spanish 1730 GMT 28 Nov 86

[Text] Ibagu , Tolima--Police have inflicted a heavy blow to groups supplying arms to guerrillas groups when they seized 100 crates of dynamite at the Picalena Military checkpoint. Apparently, the shipment was targeted for insurgents groups operating in southern Colombia, mainly in the Valle del Cauca and Cauca Departments.

Jose Alberto Chamorro and Hugo Coral Mejia, who claimed to belong to the outlawed insurgent M-19 movement, were captured in the operation.

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CSO: 3348/132

GUATEMALA

MEXICO, SPAIN OFFER TO MEDIATE BETWEEN GOVERNMENT, GUEKRILLAS

Guatemala City PRENSA LIBRE in Spanish 1 Nov 86 p 2

[Text] The governments of Spain and Mexico yesterday agreed to furnish their embassies in Guatemala for the dialogue that the guerrillas have proposed to President Cerezo, according to news cables received in this capital.

According to the ACAN-EFE agency, the Spanish Government, through its Foreign Ministry, indicated that it would allow its embassy to be a site for a dialogue between the Guatemalan Government and the insurgents, if President Cerezo so requests.

The Spanish ambassador here, Dr Luis Crespo de Vega, said that "my offices have not received any message from the URNG [Guatemalan National Revolutionary Unity], but my government could contribute to the dialogue to achieve the total pacification of this country."

Although the Mexican Embassy in Guatemala reported the day before yesterday that it had not received the URNG proposal either, it was learned that the rebel groups that reside in the Federal District told the press that the proposal is real and that "they want to hold a dialogue with President Cerezo to help out in the democratization process."

The Public Relations Office of the Presidency issued a press release in which it states that the government will consider the possibility of a dialogue, but only if the insurgents offer to lay down their arms and participate in the democratization process.

Government spokesman Julio Santos said that as of yesterday evening (1800 hours) the government had not yet received the guerrillas' formal proposal.

It was learned, nevertheless, that President Cerezo received the URNG message on 20 October.

8743

CSO: 3248/95

CHANGES SAID IMMINENT IN CEREZO CABINET

Guatemala City PRENSA LIBRE in Spanish 1 Nov 86 p 10

[Editorial: "Speculation About Changes in the Cabinet"]

[Text] As the year draws to a close, the press reports and commentaries about changes among ministers and other major government officials always heat up, the assumption being that the president of the republic is tired of the ineffectiveness of some of his colleagues or because he wants to see new faces on his team.

Such commentaries and reports are, of course, a bitter pill for the ministers to swallow, leaving them with a bad taste in their mouths, so much so that New Year's Eve parties must not be much fun for them.

Normally the predictions are not accurate. The chief executive denies them with the usual comment that he will make no changes and that he is satisfied with his ministers' performance.

This year, however, the press has become bolder. In addition to indicating by name the ministers who will be replaced, it has explained what the mechanics of the new ministerial appointments will be like.

Often, however, such conjecture has a basis in fact. There is always someone in government who takes charge of spreading the rumor and leaking certain behind-the-scenes moves in the administration. This week there have been persistent reports about possible changes in the Public Health and Agriculture ministries. There is also talk of an exchange of posts between the minister of government, Juan Jose Rodil Peralta, and the minister of foreign relations, Mario Quinones Amezcuita. This sort of switch happened under the administration of President Carlos Manuel Arana Osorio (1970-1974), when the government minister, Jorge Arenales, and the foreign minister, Dr Roberto Herrera Ibarguen, exchanged jobs.

Coincidentally, the job swap that time took place a few days after the government minister had been summoned to appear before the Congress of the Republic. Rodil Peralta was summoned to appear a few days ago.

The odd thing, if the prediction comes true, is that these two ministers seem to be doing an excellent job in the posts to which President Cerezo has assigned them. It would be surprising if they were to exchange jobs, but anything is possible.

The situation is different with the ministers of public health and agriculture. Dr Carlos Armando Soto has been the target of an almost ceaseless campaign by opposition politicians, whose visible heads are to be found in Congress, a campaign that revolves entirely around the use of the famous French loan for the outfitting of two Guatemalan hospitals.

The minister of agriculture, Rodolfo Estrada Hurtate, an engineer by profession, is under fire from no less than the all-powerful secretary general of the ruling political party, Mr Demetrio Moliviatis, who said Thursday on a TV program that he has nothing personal against Estrada but that he just does not like how he is running the ministry. An evening daily commented yesterday that the minister is accused of having advisers "of markedly rightwing leanings, which causes problems in implementing agrarian policies and confrontations with Christian Democrat activists."

Anyone can see Mr Moliviatis' hand in this. The affair takes on added prominence when Father Andres Giron, a pro-agrarian reform priest, comes out publicly in defense of the minister and calls on Demetrio Moliviatis to move to Greece.

So there is more than just conjecture here. A sort of minor power struggle is going on. Someone wants to have more of a say in government decision-making.

Things are heating up.

We have asserted previously that an annual review (or more often if appropriate) of the ranks of any president's colleagues is healthy. No one is irreplaceable. Changes among government officials are common in all countries and often pave the way for an answer to major problems.

We are not echoing the calls for change. This is something that lies beyond our professional concern. We are simply intrigued by how this minor battle that has begun within the regime will end.

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## BRIEFS

CHURCH LEADER FORESEES WAR—"A war is on the horizon in the region now that the peace efforts of the Contadora and Support groups have failed," said the metropolitan archbishop, Monsignor Prospero Penados del Barrio. He voiced the opinion that the outside influence of the East and West, the USSR and the United States, "which are using Central America as a testing ground, is slowly leading us into a war among brothers." Penados del barrio said that "the Catholic Church is no stranger to the problems besetting Central Americans and the residents of other countries," stressing the importance of His Holiness John Paul II's trips. "It is sad to see the failure of the peace dialogues undertaken by the Contadora and Support groups," the spiritual leader added, commenting on the most recent results of these two groups. He clarified that relations between Church and State "are good," indicating that "there is room" for the task of evangelization throughout the country, in which lay groups are playing a special role. [Text] [Guatemala City PRENSA LIBRE in Spanish 4 Nov 86 p 2] 8743

CSO: 3248/95

# HOYTE LOOKS AT FOREIGN POLICY IN SUPREME CONGRESS SPEECH

## Report on Congress Proceedings

Georgetown GUYANA CHRONICLE in English 28 Oct 86 pp 1, 3

[Text]

SHORTLY after President Desmond Hoyte, immaculately clad in a navy blue shirt-jac suit, arrived for the opening session of the Second Supreme Congress of the People, yesterday afternoon, he conformed to tradition by inspecting a smartly turned-out Guard of Honour on the tarmac of the National Cultural Centre.

As the President arrived, preceded by motorcycle outriders and a mounted escort, the Guard of Honour, under the command of Major Michael Atherly, and the Joint Services Band prepared to execute its role in the unfolding ceremony. Splendidly outfitted in ceremonial dress—white tunic, green trousers with scarlet stripes, and matching scarlet berets and lanyards, the three officers and 101 other ranks of Three Special Forces, executed their crisp manoeuvres with snap and polish, much to the delight of the hundreds of onlookers, many of whom

had lined the entrance to the Cultural Centre to get a glimpse of the ceremony.

The interior of the Cultural Centre was specially decorated for the occasion. In the foyer, hanging baskets of ferns and beautifully arranged potted coconut palms vied for attention with the photographic display mounted by the Office of the President, which depicted scenes from Cde. Hoyte's recent visit to Southern Africa.

Further in, the ceremonial red carpet had been rolled out in the aisle leading up to the stage where another aesthetic treat greeted the eye. Here was a well laid-out vista of eye-catching floral arrangements pleasantly juxtaposed with the 'V' shaped phalanx of chairs where members of the National Assembly, and of the National Congress of Local Democratic Organs were seated. The lectern, at which the President stood to address the Supreme Congress of the People was decorated with the

Presidential Cacique's Crown, while representations of the National Coat-of-Arms were emblazoned on the chairs where President Hoyte and other top officials sat.

Earlier in the afternoon, Prime Minister Hamilton Green, arrived for the ceremonial opening, then came other Government figures, foreign dignitaries and members of Regional Democratic Councils, some of whom had travelled great distances to come to this important forum of local democracy. Many of them voiced their pleasure over the manner in which the Cultural Centre was laid out for the occasion and one official from Region One was even heard to commend the ushers on their dress.

Indeed, the entire staff of the National Cultural Centre should be complimented on the stage decorations which they themselves did. Not to be left out are the members of the National Parks Commission who did most of the floral arrangements.

## Hoyt on Nonalignment

Georgetown GUYANA CHRONICLE in English 28 Oct 86 pp 1, 3

[Text]

**PRESIDENT** Desmond Hoyte yesterday told the Supreme Congress of the People that Guyana's foreign policy rests firmly on the foundations of Non-Alignment. It was with the principles, objectives and concerns of Non-Alignment in mind that the Guyanese delegation journeyed to the Eighth Summit Conference of Non-Aligned states which was held from September 1, to 2, 1986, in Harare, Zimbabwe.

In his report to the First Session of the Second Supreme Congress of the People at the National Cultural Centre, President Hoyte pointed out that Guyana had adopted at the time of Independence a foreign policy to secure certain national objectives, principally the maintenance and consolidation of that Independence, the preservation of our territorial integrity, the security of the State and the building of the nation.

"At the very outset of our Independence, we embraced the principles of Non-Alignment as the cornerstone of our foreign policy," the President emphasised.

Non-Alignment was defined as a policy of active involvement in international affairs which affirms the right of freedom and determination and is therefore a categorical rejection of all relations of domination and exploitation.

Guyana's foreign policy declines any strategic alignment with the vital ideological blocs and seeks to maintain a courteous, mutually respected and constructive relationship with all countries - except South Africa which practises the abominable system of apartheid.

President Hoyte observed that Guyana joined the community of nations when the issues of global peace and security governed every facet of international relations, and major powers were portrayed as the sole arbiters of the future of mankind.

The danger to peace has heightened since then and today smaller states are raising their voices in unison to remind the nuclear powers of their responsibility to civilisation. "They are equally united in their promotion of an alternative to stratified and bifurcated global society based on the

assertion of power."

Peace which is not an easy term to define was without doubt the most critical issue of our time. But for Guyana and for most of the people in the world the meaning of the term must include a situation in which recourse to arms is ruled out and in which "peaceful settlements of disputes, non-interference in the internal affairs of sovereign states and the right of each state to pursue its own path of development are accepted in practice as governing norms of international behaviour."

The countries of the world without military or economic prepotency - the majority of mankind - have not accepted that peace and development are the exclusive prerogative of the superpowers. Hence the origin of the Non-Aligned Movement. In fashioning that policy it was recognised that Guyana could not confine its relations to those countries which its colonial status had decreed. An outreach to every region in the world across the whole range of the ideological spectrum was therefore developed.

## Emphasis on World Peace

Georgetown GUYANA CHRONICLE in English 28 Oct 86 pp 1, 5

[Text]

**PRESIDENT** Hoyte analysed last night that the issue of peace seen from one perspective or another was a dominant theme at the Eighth Non-Aligned Summit and recurred continually in formal and informal discussions in several Southern African countries he visited. There

was universal agreement that the arms race inhibited the developmental possibilities of both industrialised and developing countries. The manufacture of weapons of mass destruction on the present colossal scale diverts massive amounts of human, material and financial

resources for constructive purposes. It diminishes economic prospects of small countries. It generates global tension and instability.

All countries particularly small developing countries like Guyana therefore have a vested interest in the establishment in the conditions of peace. The outbreak of a major war would engulf all of mankind. It was against this background that Guyana proposed that a special appeal be sent to the two major nuclear powers pointing out the consequences of their uneasy relations for human civilisation.

Guyana's proposal was accepted and a letter was sent by the Non-Aligned Movement to President Ronald Reagan of the

United States and General Secretary Gorbachyov of the Soviet Union. The letter requested the two world leaders to reduce the prevailing tension and "to co-operate with each other with a view of reaching substantive agreements in the field of disarmament."

President Hoyte said that the de-escalation of the arms race was linked to the larger question of the future of mankind on the planet earth, and revealed that at a

State Dinner in Botswana he posed this question in the following way: "Will it be one where human beings live in peace, prosperity and dignity, respecting themselves and respecting one another? Or will it be a wasteland in which every kind of physical and moral deformity is promoted as civilisation?"

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CSO: 3298/060

# HOYTE HAILS SOVIET ANNIVERSARY; PAPER SEES LOOSER TIES

## Text of Hoyte Message

Georgetown GUYANA CHRONICLE in English 7 Nov 86 pp 1, 4

[Text]

PRESIDENT Desmond Hoyte has said that Guyana and the U.S.S.R. share a commitment to the attainment of international peace and security, as has so often been demonstrated at various international fora.

In a message to the General Secretary of the Central Committee of the Communist Party of the U.S.S.R., Cde Mikhail Gorbachyov, on the occasion of that country's National Day being celebrated today, Cde Hoyte expressed the hope that international efforts for ending the arms race and establishing an environment of lasting peace will be intensified.

Here is the text of his message:

As you celebrate this important occasion which marks the 69th anniversary of the Great October Revolution, I would like, on behalf of the Government and People of the Co-operative Republic of Guyana and on my own behalf, to convey to your Excellency, the Government and the People of the Union of Soviet Socialist Republics, warm congratulations and fraternal greetings.

As has been so often demonstrated at various international fora, Guyana and the U.S.S.R. share a commitment to the attainment of international peace and security. In this respect Guyana notes that during this year, in-

ternational Year of Peace, the USSR took several initiatives in the cause of peace. It is our hope that international efforts will be intensified for the reduction of tension ending the arms race and for the establishment of an environment of lasting peace to become the overriding priority.

May I take this opportunity to reiterate Guyana's readiness to strengthen, further, the friendly relations which exist between our two countries, both on the bilateral and international levels.

Please accept, Excellency, my best wishes for your personal well-being and, for the progress and prosperity of the People of the Union of the Soviet Socialist Republics.

## Tilt Away From USSR

Trinidad and Tobago THE BOMB in English 14 Nov 86 p 11

[Text]

THE SOVIET Union (USSR) is losing its grip on the Co-operative Socialist Republic of Guyana, and fears that the situation may end up like Grenada — where the

Cuban Government lost millions of dollars.

A diplomatic source in Port-of-Spain said Comrade President Desmond Hoyte is virtually

caught up in the roll of the West and is inching away from the Soviet bear hug.

What hurt the Soviets most was the back-stabbing by a Guyanese national who put the USSR and the USA on a cold war footing.

The unnamed Guyanese is an FBI-cum-CIA agent who put Soviet physicist Zakhrov in the role of a spy in the US.

The Guyanese had been passing on bits of information to the Soviet spy who made the acquaintance on the basis of relations between the Soviet politburo and the Guyana Government.

Unknown to the Soviet, the Guyanese was selling him out.

The Guyanese whose initials are C.S. and was called John in spy lingo, said he was spying for the FBI on the Soviet KGB for more than three years.

Zakhrov was work-

ing at the UN Centre for Science and Technology since 1982, collecting and appraising data on scientific development.

He visited colleges and that's how he met the 'traitor'.

John led the FBI to the Soviet spy when he identified him by handing over an envelope with marked bogus scientific data.

Zakhrov was kicked out of the USA and in return American spy Daniloff who masquerades as a US News and World Report correspondent Moscow, was held, for spying.

He was later released.

The Soviets, however, will never forget how a Guyanese national set them up in New York.

It is understood that Guyana is owing the Soviets millions for arms and ammunition supplied over the past years.

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CSO: 3298/060

GREEN, NEW BRAZILIAN ENVOY EXPRESS HOPE FOR CLOSER RELATIONS

Georgetown GUYANA CHRONICLE in English 22 Nov 86 p 4

[Text]

Prime Minister Hamilton Green has praised the well-established tradition of friendly and co-operative relations between Guyana and Brazil.

Speaking during the accreditation ceremony of newly-appointed Brazilian Ambassador to Guyana, Mr Aderbal Costa, yesterday morning at the Presidential Secretariat, Cde Green also expressed the hope that "co-operation between our two countries and peoples will be expanded to encompass a number of promising areas."

"We must therefore seize these opportunities which are available and develop the potential offer for increasing creative links between our states."

Noting that the prevailing international environment is not conducive to real economic progress, the Prime Minister said that it is in the interest of both countries to work closely at

both the bilateral and multilateral levels to promote South-South co-operation wherever it is feasible.

"In the case of Guyana and Brazil, the necessary conditions exist for the successful promotion of joint enterprises."

Ambassador Aderbal Costa, in presenting his Letters of Credence, also spoke of the "close bonds of friendship" and "wide identity of interests" which have marked Guyana-Brazil relations. The two countries, he said "have a great potential for co-operation waiting to be developed in various areas, in pursuit of our common objectives."

"Given the complexities of the present world situation, at this particular time, joint efforts become increasingly vital in order to rise successfully to the multiplicity of challenges that we face," Mr Costa

added.

In this regard, the role of diplomacy increases, the Ambassador noted. "It is with full awareness of these factors that I embark on my mission with the personal resolve to do my best for the development of even closer relations between Brazil and Guyana."

Furthermore, "the well-known co-operative spirit of the authorities and people of Guyana will not only facilitate my work here, but will also contribute to the satisfaction that I shall derive from it," the Ambassador concluded.

Mr Costa was the Brazilian Charge d'Affaires in Guyana prior to his new appointment.

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CSO: 3298/060



INTERNATIONAL FUND LOAN TO AID SMALL FARMERS

Georgetown SUNDAY CHRONICLE in English 23 Nov 86 p 1

[Text] Conditions for Agriculture on the East Bank Essequibo are to be improved through a \$9 m (US) agricultural development project being implemented by Government with international financial assistance.

Some 2,300 small farmers in the area, growing rice, plantain, cassava, yams and other crops will benefit under the project, which falls within the wider national programme in support of agricultural development.

Farm incomes are expected to be substantially increased and the expected yearly additional crop production is estimated at over 12,000 tons, resulting from the provisions of the project.

Surplus

Guyana's Ambassador to the United Kingdom, Cecil Pilgrim, and President of the International Fund for Agricultural Development (IFAD) Idriss Jazairy, last Thursday signed a \$6m (US) loan agreement. Government is contributing \$2m (US), and the OPEC Fund for International Development \$1m (US).

An IFAD release points out that the fund's policy is to help small farmers produce more of their own food and to produce where possible a surplus for marketing.

The East Bank Essequibo project will undertake necessary rehabilitation work to restore the area's irrigation and drainage system to normal functioning, and will also repair and upgrade access roads.

Lasting five years, the project will also promote increase production and productivity by importing farm equipment, spare parts and crop inputs for distribution and sale to farmers, for cash or under a credit scheme.

A research programme geared to the needs of small farmers will be implemented and there will also be an expansion of agricultural extension services, the IFAD release stated. Some training courses will be held to focus on the special needs of women heads of households and in general women will be given the opportunity to increase their knowledge of farming, home economics and nutrition.

## Rural Poor

The role of women in development of agricultural communities is given a high priority by IFAD, as it addresses the needs of the rural poor.

It is anticipated that by the end of the five-year project, the recurrent costs of operating and maintaining the system will be fully recovered through drainage and irrigation rates and interest from resources allocated to the Guyana Co-operative Agricultural and Industrial Development Bank for on-lending to the farmers.

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CSO: 3298/060

# GUYANA LABOR UNION HOLDS 17TH BIENNIAL CONFERENCE

## Hoyte at Opening Session

Georgetown GUYANA CHRONICLE in English 24 Oct 86 pp 1, 4

[Text]

**WATERFRONT** workers will receive a 22 per cent increase in pensions, retroactive to January this year, President Desmond Hoyte announced last evening.

Speaking during the opening session of the 17th Biennial Conference of the Guyana Labour Union (GLU) Cde Hoyte also expressed the hope that the impending negotiations between Government and the TUC would bring substantial benefits to workers, including income tax relief.

In the past such negotiations have been courteous and constructive and were done in good faith, Cde Hoyte told a packed Sophia Auditorium of seasoned trade unionists, workers, Government officials and members of the Diplomatic Corps.

Addressing the GLU's Biennial Conference, for the first time in his capacity as President-General of the union, Cde Hoyte challenged the GLU, and the Trade Union Movement as a whole, to extend their activities to include not only material benefits but cultural and artistic pursuits with emphasis on education, health and sports.

Trade unions, and our union in particular, should

pay particular attention to the all-round personal development of their members, he observed.

The GLU, which blazed the trail in the struggle for workers liberation, emerged in 1919 during the depression of World War One as the first trade union in the British Caribbean.

And since its formation, the union has been led by a number of illustrious and heroic leaders, including Hubert Nathaniel Critchlow and the late Founder-Leader, Cde Forbes Burnham, both of whom were hailed for their contribution to the growth of the local labour movement.

And by virtue of its unique historical stature, the GLU has the responsibility to set high standards and promote a sense of unity in the local trade union movement, Cde Hoyte told the opening session.

President Hoyte said there is some evidence that the forces of unity are gaining ground and that the Trades Union Congress will, far from disintegrating as some had predicted, grow in strength and vibrancy as the national workers' organisation.

He said the GLU should, as part of its mission, mobilise the disadvantaged workers and bring them into

the ranks of organised labour.

During yesterday's opening session, several messages of greetings were read from sister unions including the Guyana Public Service Union, the Guyana Teachers Union, the Clerical and Commercial Workers Union and the Guyana Agricultural and General Workers Union.

The three-day deliberations will deal with a number of issues affecting workers in a national and international context. Some of these, including the question of superannuation benefits, a medical scheme and the re-employment of skilled retired waterfront workers, are already receiving attention.

Several motions and questions have also been tabled for discussion.

During the conference delegates would also receive the report of the General Secretary and consider amendments to the union's constitution.

(More stories on President's address to follow.)

## Pollydore Remarks

Georgetown GUYANA CHRONICLE in English 24 Oct 86 p 1

[Text]

THE Guyana Trade Union Movement must move out to new levels of democracy, veteran trade unionist and General Secretary of the Guyana Trades Union Congress, Cde Joseph Pollydore said yesterday.

Workers are calling for the devolution of powers, Pollydore observed during the opening session of the 17th Biennial Conference of the Guyana Labour Union (GLU) at Sophia.

Speaking about the need for a strong and united Trade Union Movement, he

referred to the upcoming Municipal Elections as an encouraging trend that things are happening.

That trend should continue, he told an audience of workers, fellow unionists, Government officials and members of the Diplomatic Corps.

Cde Pollydore also hailed the contribution of GLU founder, Hubert Nathaniel Critchlow, for his contribution to the growth of the Guyana and Caribbean Labour Movement.

GLU's Legal Adviser, Cde Basil Williams also highlighted the struggle of Critchlow for better working conditions of workers, control of the commanding heights of the economy and the achievement of workers' emancipation.

That struggle, he noted, was continued by the late Founder-Leader Forbes Burnham. Today, it is being pursued by President Desmond Hoyte who has a long-standing relationship with the Trade Union movement.

## More on Hoyte Address

Georgetown GUYANA CHRONICLE in English 25 Oct 86 pp 1, 5

[Text]

PRESIDENT Desmond Hoyte has urged the Guyana Labour Union to pay attention to areas of workers welfare other than material benefits like better wages and improved working conditions. Rather the GLU should teach formal skills, broaden their general education and enrich their cultural life, Cde Hoyte said at the opening of the union's 17th Biennial Congress at Sophia, Thursday.

The union should see its mandate as transcending the pursuit of mere material benefits. These are important to the worker, but there are other aspects of importance to his existence which so often tend to be overlooked but which are necessary to his enjoyment of a happy and fulfilling life, Cde Hoyte said.

"We have in our ranks an abundance of talent. We must harness and organise

this talent to enrich the life of the union and its members."

Cde Hoyte, also the union's President-General, suggested that a start can be made by organising workers' choirs and musical bands in addition to sponsoring cultural programmes on a formal, organised basis.

By doing this, Cde Hoyte said, we would be demonstrating that we are no longer operating in a colonial context. Also we would be showing that workers are emancipated and are entitled to participate fully in all sectors of national life, the President told hundreds of trade unionists, top government officials and members of the Diplomatic Corps.

Workers were relegated to the spectator role in cultural life in the colonial era, but in independent Guyana, they must assume their rightful role as full participants in

the nation's cultural life.

On educational development, President Hoyte made known his pleasure regarding the GLU's sponsorship of training courses, seminars and public lectures involving distinguished persons in the community. He urged that such work be expanded rapidly.

Cde Hoyte, also spoke of attempts to put sports on an organised basis as part of union activities. "Sports are an important aspect of the cultural activities I have been advocating. They provide an opportunity for enjoyment and for fostering better understanding and a strong spirit of camaraderie among our members," the President-General said.

## Hoyte on 'Bad' Work Habits

Georgetown GUYANA CHRONICLE in English 25 Oct 86 pp 1, 5

[Text]

Trade unions must never make the mistake of attempting to defend worker actions or behaviour patterns which are immoral, illegal and otherwise indefensible. This harms the real interest of the union member, the entire movement and the society as a whole.

Delivering the feature address at the opening of the Guyana Labour Union's 17th Biennial Congress at Sophia, President Desmond Hoyte proposed a union slogan which suggests that if a worker is right he should be kept right, and if wrong he should be *put* right.

"No member of our union should be made to feel that the union has to defend him if he is palpably in the wrong. The union must take a firm and principled position against bad worker habits, irresponsibility and indiscipline. To do otherwise, would be harmful to the interest of our country,

our economy and the very worker whose welfare we are supposed to promote," President Hoyte pointed out.

Top Government officials, diplomats and members of the country's standard bearer union, heard the GLU's President-General call on members to set high standards at worksites.

The union, by its programmes must help workers to do so. In this section of his address in which he focused on unions, President Hoyte urged that the GLU should at all times impress upon the worker how important it is to ensure the efficiency and profitability of their employing company or entity.

"It must insist that workers make the maximum contribution to strengthening the economy by their individual and collective endeavours," Cde Hoyte said.

/9274

CSO: 3298/060

# OPPOSITION FORCES EXPLAIN BOYCOTT OF MUNICIPAL ELECTIONS

## PCD Statement

Georgetown MIRROR in English 26 Oct 86 p 1

[Text]

The following is a PCD statement:

The Patriotic Coalition for Democracy fears that the PNC minority regime is moving to institutionalise a coup of the municipal councils, probably on December 18 this year. The PCD will expose and resist this attempt.

On October 22, 1986, the President's Office announced that it had taken the first step toward city and town council elections. On the same date it published an order signed by President Hoyte prescribing voluntary registration in the five municipalities. This was followed by press and radio publicity about 'special couriers' travelling across the country to deliver to political parties copies of the same order which appeared in the morning's GUYANA CHRONICLE.

It is characteristic of the posturings of this government that since the PCD proposed to President Hoyte by letter dated May, 1986 an all-party discussion on the steps necessary for fair and free local government elections, no courier has delivered a reply!

The PNC minority regime is now moving to formalise its betrayal of a promise made to the Caricom leaders at Mustique to hold genuine local government elections with an acceptable

team of overseas observers in attendance. Unlike the Representation of the People Act, the Local Government Elections Act makes no provision whatever for the presence of observers.

President Hoyte's failure to reply to the PCD's proposals for an all-party meeting to arrive at a consensus on electoral rules, coming after the experience of December 9, 1985, augurs ill for the future of democracy in Guyana. The regime is getting set to repeat its tactic of conceding inessentials while retaining its grip on the electoral machinery.

The PCD long declared that it would regard any local government elections as fraudulent unless meaningless gestures were replaced by concrete reforms:

The introduction of an independent electoral commission, party scrutineers for the registration process, the counting of ballots at the place of poll and immediately following the close of polling, the abolition of proxies granted "for other good cause" and the admission of an official team of impartial observers.

The government on July 30, 1986, in the debate on an oppo-

sition motion on local government elections amended the motion and finally agreed on the following: "..... Be it further resolved that the rules of conduct for elections to local authorities and the conditions under which they shall be held be debated in the National Assembly and be subject to the vote of the National Assembly".

The announcement by the government of its intention to hold elections "in terms of the Act" is therefore a contempt of Parliament.

The anxieties of the PCD and the Guyanese people on this occasion are rooted not only in the record of malpractice by the PNC in all elections since 1964 when the PNC came to power but in the brazen scheme of the Local Government Elections Act, Chapter 28:03, of 1970. This Act does not provide for an Elections Commission, but under Section 3 gives to the Minister in person, all the powers of an Elections Commission with the marginal note, 'Supervision of the Elections by Minister'.

## WPA Organ's Comment

Georgetown OPEN WORD in English 17 Nov 86 p 2

### [Untitled Editorial]

#### [Text]

After 16 years, the PNC is holding local government elections. They came to a pause in 1970 in a climate of election fraud and they are to be resumed in a climate of refusal to reform.

The local authority elections were suspended in 1970 after a widespread boycott of the nominations and they resume this month with a more total boycott.

Mr. Hoyte will seek to blame the opposition parties for not taking part. His order is: "Take part! Take part!" Citizens are not supposed to question the rules under which they are to take part. This side of the President's style of government is always an aspect of dictatorial culture.

Why did he not discuss with the PCD at their request the changes they think are needed for the holding of free and fair elections? One answer can be that such discussions must be held on the orders of those who rule by divine right and not by mere commanders.

TO COOPERATE WITH PRESIDENT HOYTE WHEN HE RESOLUTELY REFUSES TO TREAT WITH THE OPPOSITION PARTIES AS HAVING EQUAL RIGHTS WILL BE TO HELP THE PNC TO BRING GUYANA TO ITS KNEES.

Already many public servants and business people are accepting the new Burnhamism, as it is nothing else.

The democratic forces are right to keep up the resistance to shame-faced Burnhamism.

## CATHOLIC STANDARD Report

Georgetown CATHOLIC STANDARD in English 23 Nov 86 pp 1, 3

#### [Text]

THE SIX OPPOSITION parties all decided not to contest the Municipal Elections which were due to be held on Dec. 8.

Five of them, comprising the Patriotic Coalition for Democracy - the PPP, WPA, DLM, PDM and NDF - have said that they failed to get the ruling party to agree to their minimum demands that would ensure that elections were free and fair.

They felt that the elections conducted under the present arrangements would be a complete waste of time and a farce.

They had written the President in May, asking that a meeting of the Government with the opposition parties be arranged so that their demands could be discussed.

Their letter was ignored.

They again wrote to the President on Oct. 29, 1986.

This time they received a reply from one George Ault for Head of the Political and Press Division, Office of the President, asking for particulars of the PCD and its officers.

This the PCD held to be delaying tactics, as the PCD in January had, at a press conference attended by Government information officers, given full particulars of its organisation.

The PCD also complained that the legislative Assembly had by resolution of July 30 voted that arrangements for the holding of the elections should not be implemented before they were put to the House, debated and agreed on.

The Executive had ignored this resolution and fixed the date for



the elections under the old arrangements.

The minimum demands of the opposition parties were:

1. That the conduct of the elections be managed by an independent Elections Commission. The present arrangements which they held to be grossly unfair gave complete control of the elections into the hands of the Minister of Home Affairs, who happens to be President Hoyte.

2. That the ballots be counted at the place of poll immediately after the close of polling.

3. That proxies "for any good cause" be abolished.

4. That overseas observers be present to witness the elections.

5. That the army be excluded from the electoral process.

6. That guarantees are given that opposition candidates and polling agents are not molested or evicted from polling stations, as on Dec. 9, 1985.

The PCD release stated: "By fixing the dates for nominations and elections without meeting the PCD for discussions, the Government has shown its contempt for opposition and public opinion and its unwillingness to hold free and fair elections."

### PPP Statement

Georgetown MIRROR in English 23 Nov 86 p 1

[Text] The People's Progressive Party (PPP) in a press statement, said that it is amused by the guilty antics of the People's National Congress (PNC) following the total boycott of the fraudulent municipal elections by the opposition parties united in the Patriotic Coalition for Democracy (PCD). That party which seeks to project the view that the opposition parties are "nothing" is nevertheless scared to death to hold a free and fair election. This is the basic contradiction facing the PNC which is in the grip of a credibility crisis.

Why is the PNC so terrified to count ballots at the polling place? Why is the PNC so fearful of having independent observers from Caricom, the Commonwealth or elsewhere? If these two aspects of the electoral process are implemented, no party can cry fraud or complain about rigging. This of course is based on the assumption that polling agents would not be evicted. The PNC has achieved world-wide notoriety for electoral fraud.

### Control of Election Machinery

The PNC seized control of the electoral machinery in 1967 and promptly in 1968 rigged the first post-independence general election. Voters' lists were padded with bogus names, overseas voters' lists were largely false, dead people voted in their hundreds, thousands of live people were disenfranchised, ballot boxes were tampered with, and stuffed, etc.

In 1970 the PNC held Local Government elections in two phases...one in June and another in December. The June phase was so comprehensively rigged that the opposition parties (PPP and UF) boycotted the December phase.

In 1973 general election, the new ingredients were postal voting fraud and the Army stepping in after the poll to seize the ballot boxes at gun-point. In the protest over this outrage, two PPP supporters were killed by troops on the Corentyne.

In 1978 there was a rigged referendum which revealed a 14% support for the PNC. The referendum was boycotted by all the opposition parties, but the polling was monitored.

The PNC then rigged the 1980 general and regional elections making use of fraudulent overseas votes, postal votes, proxy votes, dead people, disenfranchisement, Army grab of the ballot boxes, etc. The atmosphere was that of a coup d'etat. Troops in full battle gear were everywhere on polling day.

#### New Ingredients for Rigging

In 1985, barely 4 months after the death of Forbes Burnham, the PNC held another rigged general and regional election on December 9. The new ingredient was the widespread eviction of polling agents from polling places, in the absence of whom stuffing of ballot boxes went on apace. The polling agents of opposition parties were ordered out at gun-point. Some were beaten, threatened with death and told not to return.

For the 1986 municipal elections (after 16 years of postponements) the PNC planned to mobilise its arsenal of fraud which starts with registration. The PNC declined to meet with the PCD to discuss basic rules for the contests in 5 municipalities across the country. The opposition parties individually and collectively in the PCD decided to boycott the poll, and refused to make nominations. The barefaced PNC in order to hide its shame later said in its New Nation rag, that the opposition had no one to nominate! Sheer rubbish! The PPP for instance had a full slate on nomination day ready to submit.

#### 6 Demands for Electoral Reform

The demands of the PPP by itself and as a part of the PCD for cast-iron guarantees included the following:

- An independent Elections Commission to prepare the elections
- Compilation of a new and clean voters' list
- Independent observers from Caricom, the Commonwealth and elsewhere
- Non-eviction of opposition polling agents from polling places
- Non-intervention of the military after the polling ends
- Counting of ballots at the polling places.

The PPP states categorically that it is most unacceptable for a Minister of the government to be in charge of local government elections, considering that such a person is a leading member of the ruling party which controls the electoral process and which has an interest in the results.

The PPP urges the people of Guyana to take careful note of those inside Guyana and overseas who support the ruling party's brutal rape of the democratic process. They are nothing more than corrupt self-seeking hypocrites. Guyanese are urged to zealously guard their rights and to be prepared to struggle to have their right to vote restored.

# NEW WEEKLY PAPER PLANNED; STAFFING, POLICY REPORTED

## Publisher's Remarks

Georgetown GUYANA CHRONICLE in English 7 Nov 86 p 4

[Text]

"STABROEK News" a weekly tabloid newspaper will hit the news stands on December 5, 1986, it was announced yesterday.

But the newspaper would naturally reflect the views of its owners. Chairman of the Board of Guyana Publications Limited, publisher of the newspaper, David De Caires declared at a Press conference held at its Queenstown office.

He expressed the hope that the new publication would not be considered as an opposition paper.

"We have no ties with and will not automatically support or oppose any political party or other social group," he said in a prepared statement.

"We believe that there is room for another newspaper in Guyana and that an independent and responsible

newspaper can make an important contribution to the political and cultural life of the society and can accustom people to thinking for themselves and forming their own opinions," the statement continued.

Asked about the possibility of its editorial policy being influenced by its source of funding, he said financial assistance has been given with no strings

attached and no influence exerted.

The National Endowment for Democracy, a Washington based institute, he disclosed, has provided a grant for the venture through the Institute of North South issues.

"The proof of the pudding however, will be in the eating," De Caires observed.

According to him, the Board of Directors also reflect different political persuasions. But he acknowledged that newspapers by their nature are adversary.

The paper, named after the original name of Georgetown in the period of Dutch rule, will be printed by the Trinidad Express in Trinidad, after the layout and paste-up processes are done locally. It will then be transported to Guyana for sale.

In time, the Company hopes to acquire its own press and graduate to a daily newspaper, printed and published here.

While the company is private, De Caires said the Caribbean media have been offered nominal shareholding.

About 15,000 copies of the publication will initially be sold at a cost of a dollar per copy after a goodwill edition is distributed free on November 20.

### Staff Lineup

Georgetown CATHOLIC STANDARD in English 9 Nov 86 p 1

#### [Text]

THE NEW Guyanese weekend newspaper, named Stabroek News, is to have as its Editor Cecil Griffith, formerly news editor of Guyana Broadcasting Corporation (GBC) and, more recently, stringer for Voice of America.

Its reporters are Sharief Khan, stringer for Reuters, Nills Campbell, stringer for Inter-Press Service, and Pete Ninvalle, stringer for Radio Antilles, and formerly of GBC.

Others on the staff are Charles

De Florimonte, formerly of the Chronicle, in charge of lay out and reporting on sports, Robert Narain, in charge of paste up, formerly of the Chronicle.

The office of the paper is housed in the handsome property at the north-west corner of Peter Rose and Anira Streets.

Business manager is Janice Hall, formerly of GEC.

A Press Conference was scheduled to be held last Thurs. after the Catholic Standard had gone to press.

### Additional Details

Port-of-Spain SUNDAY EXPRESS in English 23 Nov 86 p 45

#### [Text]

THE PREMIERE issue of Guyana's only independent paper, Stabroek News, has rolled off the press. The paper is funded by the Washington-based National Endowment for Democracy, through the Institute for North-South Issues and the Caribbean Publishing and Broadcasting Association.

The name Stabroek is the original Dutch name given to the capital city of Georgetown. Editor of the paper is Cecil Griffith, former chief news editor at the Guyana Broadcasting Corporation.

As the paper says in its policy statement, in the last year there has been a "liberalisation of media policy" under President Desmond Hoyte: licences were granted to opposition parties and the Catholic Standard to import presses, although no foreign exchange has been released for the presses and newsprint.

The paper which is printed in Trinidad

by the Trinidad Express Newspapers Ltd and hopes to graduate to a daily, sees itself as filling a gaping need for an independent paper in Guyana. "We believe an independent and responsible newspaper can make an important contribution to the political and cultural life ... and can accustom people to thinking for themselves and forming their own opinions." Stabroek News sees Guyana's economic situation as "so desperate" to make it a priority and hopes to encourage "sober dialogue" and "sensible debate" on the economy.

The board of directors of Stabroek News pulls together lawyers (David de Caires and Miles Fitzwilliam); businessmen Vic Insanally (managing director of an advertising agency) and John de Freitas (executive member of the Chamber of Commerce) and outstanding poet Martin Carter.

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CSO: 3298/060

# GOVERNMENT STUDIES WAYS TO BOOST PRIVATE SECTOR

Georgetown GUYANA CHRONICLE in English 11 Nov 86 pp 1, 4

[Article by Bert Wilkinson]

[Text]

Government is examining ways and means of securing more effective private sector involvement in its industrial resuscitation programme, Finance Minister Carl Greenidge told a Gaibank/Inter-American Development Bank Project Preparation Seminar yesterday.

The Central Authority is also seeking to strengthen administrative weaknesses affecting this important sector, and a similar effort is under way to correct deficiencies on the part of the private sector, the Minister announced at the five-day seminar, at the Georgetown Club.

Speaking to participants

who were mainly from the private sector, Cde Greenidge said that Government wants to see more diversification in manufacturing and a more forward-looking approach in this sector. The same goods the country has been producing 20 years ago, are the same available now, from basically the same manufacturers. "Its potential is not fully maximised," he said.

Legislation outlining areas of responsibilities and obligations of private investment and Government's supporting role in this regard is being prepared for enactment in the near

future.

The Minister also spoke of the groundwork Government has laid for this sector, including the construction of marketing centres, the setting up of the Bank of Industry and Commerce and the decontrolling of prices for some products.

Earlier Gaibank's General Manager Kenrick Hunte said this seminar should allow his institution to direct potential investors to registered consultants who have the skills to take investors' ideas and to put them into project documents for use by the Bank.

In other words, we are hoping that we can satisfy the demand and supply for project services through the establishment of the project referral service, ending thereby extensive delays and frustrations. We are hoping that this system will reduce the processing time for loans."

The seminar aims at registering local consultants and establishing a project referral service in Guyana.

Today participants will discuss, among other topics, the role, regulations and conditions of international lending agencies, the development agency or bank versus the commercial bank, and components and elements of feasibility studies.

IDB acting Country Representative, Andres Marchant, outlined the bank's role and its contributions to industrial and economic development in Latin America and the Caribbean, while Guymida's Executive Director Clem Duncan told participants of his organisation's role in industrial development and of its close working relationship with institutions like Gaibank.



## BRIEFS

**RELATIONS WITH IRAN**—The Governments of Guyana and the Islamic Republic of Iran have decided to establish diplomatic relations, with a view to strengthening co-operation between the countries in various fields, the Foreign Affairs Ministry announced. Appointments of non-resident Ambassadors are expected to follow, a release from the Ministry said. Discussions were held in Georgetown last August between a special envoy of the Iranian Foreign Ministry and the Minister of Foreign Affairs of Guyana on developing relations between the two countries. Discussions on this and other issues were also held in Harare, Zimbabwe, between the Foreign Ministers of the respective countries when they both attended the recent Eighth Summit Conference of the Non-Aligned Movement. [Text] [Georgetown SUNDAY CHRONICLE in English 16 Nov 86 p 12] /9274

**REGIONAL COUNCIL MAKEUP**—Government plans to create several vice chairmen of Regional Councils. The rationale behind this scheme is partly due to the increased work load being devolved onto the Regional system from the central government. Many Ministries are regionalising. Another reason is believed to be the penchant by the ruling party to distribute perks to hangers-on. Such a scheme will swell the bureaucracy which is growing at a rapid rate. Vice chairmen and chairmen at the moment receive remuneration, but it is not known how many of the new vice chairmen to be created will receive remuneration. This decision rests with the Minister who has responsibility for the regional system. Basic salary for vice chairmen is \$1,900 per month. In addition there is a duty allowance of \$300 per month; an entertainment allowance of \$300 per month and a travelling allowance of \$700 per month. These monies add up to \$3,200 per month. There are 10 regional administrations, each of which has one vice chairman. It is believed by observers that Region 4 is one of the administrations to have more than one full-time vice chairman. [Text] [Georgetown MIRROR in English 9 Nov 86 p 4] /9274

**ENVOY TO UK**—Cde Cecil Stanley Pilgrim, C.C.H. has been appointed Guyana's New High Commissioner to the United Kingdom. He replaces Cde Cedric Joseph, C.C.H., who now heads the Presidential Secretariat in Georgetown. Cde Pilgrim takes to his new post a wealth of experience in the Guyana Foreign Service, having served as a ranking diplomat in Guyana's missions abroad in Jamaica, China, the Soviet Union and more recently, for seven years, as Guyana's Ambassador to Cuba. The High Commissioner has left Guyana to assume duty in the United Kingdom. [Text] [Georgetown GUYANA CHRONICLE in English 6 Nov 86 p 1] /9274

CORBIN CASE--Director of Public Prosecutions George Jackman said in a Press release last night that "there is not a sufficient basis" on which he could reasonably decide to institute any criminal proceedings against former Deputy Prime Minister Robert Corbin. The release said: "In view of public speculation connected with certain allegations made to the Police against former Deputy Prime Minister, Cde Robert Corbin, I have decided that it would be right, proper and in the public interest to state that, after full and careful examination of the results of what I consider to have been a thorough Police investigation into the matter, I have concluded that there is not a sufficient basis on which I could reasonably decide to institute any criminal proceedings against him." [Text] [Georgetown GUYANA CHRONICLE in English 22 Oct 86 p 1] /9274

FOOD-BAN LIFTING--Georgetown, Tuesday (CANA)--Following its much-welcomed decision to allow the resumption of wheat imports, the Guyana Government has lifted restrictions on several food items to allow free entry into the country. Two orders signed by Trade Minister Winston Murray, listed butter, milk, baby foods, canned soups, cheese, coffee, chocolate bars, corned beef and canned peas among the decontrolled items. These items, placed under the control during the administration of the late President Forbes Burnham, were unavailable at supermarkets, but could be had on the black market at exorbitant prices. The lifting of the restrictions has fuelled speculation that the government may be giving consideration to resuming imports of these commodities. Trade Ministry officials declined comment. [Excerpt] [Port-of-Spain DAILY EXPRESS in English 26 Nov 86 p 14] /9274

CSO: 3298/060



FISSURES WITHIN SINALOA ATTRIBUTED TO 'NEOPANISM'

Mexico City EXCELSIOR in Spanish 2 Nov 86 pp 4-A, 23-A, 28-A

[From "Political Fronts" Column, by Aurelio Ramos A.]

[Text] PAN [National Action Party] Split in Sinaloa

From Mazatlan comes news that a few hours after the official results of last Sunday's elections became known, there were clear-cut rifts in PAN. The cause? The violent and overconfident manipulation by "Neopanism."

Correspondent Sergio Galindo reports that the "neo-PAN" faction headed by Manuel J. Clouthier, former CONCANACO [Confederation of National Chambers of Commerce] leader Emilio Goicoechea and Deputy Humberto Rice, shows no respect for the party's authorities and "wants to manipulate everything."

The newly formed PAN faction in Sinaloa is seeking influence locally and nationally. For example, Rice has tied the hands of his party's candidate for mayor of Mazatlan, Alejandro Camacho Mendoza, because he has not gone along with neo-PAN's calls for violence and overconfidence.

Camacho Mendoza has preferred to calmly await the findings of the electoral commission, which displeases Rice but pleases the traditional members of PAN, who have respect for their fellow party member.

Goicoechea is one of the main instigators of violence, according to reports, obviously intending to capitalize on it later overseas. He ran as an alternate mayoral candidate, and a deputy's seat representing PAN is said to be in his future.

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CSO: 3248/77

VERDICT IN DURAZO ARMS CASE EXPECTED END OF JANUARY 1987

Mexico City EXCELSIOR in Spanish 2 Nov 86 pp 4-A, 29-A

[Text] The judge of the eighth district criminal court, Juan Silva Meza, has revealed that a verdict will be handed down late this January in the trial of Arturo Durazo Moreno, the former Federal District director of police and transit, on weapons stockpiling charges. If Durazo is found guilty, he could spend more than 10 years in prison.

The judge indicated that proceedings in the case were closed a few days ago. He went on to say that the Federal Public Ministry was given 42 days to draft and submit its conclusions on the case. Later, "they will be analyzed and evaluated as the basis for the final ruling."

He added that the former police chief's defense team, headed by Juan Velazquez, would be given a period similar to the one granted the government's representative and, like him, can submit its conclusions and any elements that would demonstrate the defendant's presumed innocence.

"A verdict will be handed down in the trial certainly in late January," Judge Silva Meza noted, "or at the latest early February. So far everything is on schedule, and the decision will adhere strictly to the law."

When asked whether he had been pressured, threatened or told to hasten or delay the trial, the judge replied flatly: "Never, and if I were, I would proceed in accordance with the law. The law comes before any interest."

Meanwhile, the justices on the First Unitary Circuit Court are studying the appeal for review requested by Juan Velazquez against the denial of an injunction by the third district criminal court judge, Victor Ceja Villasenor, who declined to grant Durazo Moreno the protection of federal justice so that he could be tried only for the crime of stockpiling weapons and not for two others, as is currently the case.

"No one can be tried twice, much less three times, for a single crime (weapons stockpiling). What is being done is unjust, because my client presumably committed that crime, but not in multiple counts," said the former police chief's defense attorney.

In the judgment of Silva Meza, Durazo Moreno is presumably responsible for stockpiling weapons in a warehouse in the Iztapalapa area, in his home at kilometer 23.5 of the federal highway to Cuernavaca and in the Partenon de Ixtapa-Zihuatanejo, Guerrero.

Owing to these multiple counts, the former head of the now defunct General Directorate of Police and Transit has not and will not have the right to go free on bail, inasmuch as he could be sentenced to around 10 years 6 months in prison.

In order for a defendant to be so entitled, the court explained, the arithmetic average of the sentence must not exceed 5 years, and in the case at hand it is 5 years and 3 months.

In this regard, the third district criminal court judge, Victor Ceja Villasenor, explained that he found sufficient evidence to presume that Durazo Moreno did, in fact, commit three crimes of weapons stockpiling. He therefore denied the injunction.

"It will be the Unitary Tribunal that will have the last word, which will be respected," the parties to the case indicated.

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CSO: 3248/77

RUIZ ON ECONOMIC RELATIONSHIP WITH CEMA, HUNGARY

Managua BARRICADA in Spanish 29 Oct 86 p 2

[Text] "The installation of the mixed Hungarian-Nicaraguan intergovernmental commission, the signing of various protocols, and the analysis of the obstacles that block improvements in the relations between the Council for Mutual Economic Assistance (CEMA) and our country, were the objectives of our mission in Hungary," reported Commander of the Revolution and Minister of External Cooperation Henry Ruiz upon his return.

With regard to the matters dealt with by the mixed intergovernmental commission, Cmdr Ruiz stated that a protocol was signed to provide for the disbursement of a loan in the next few months, to establish a trade fund, and to provide Hungarian technical assistance and material aid to the Sandinist National Liberation Front (FSLN).

The minister of external cooperation asserted that his Hungarian counterpart expressed his concern about Nicaragua's political situation, stressing his solidarity and reaffirming the unconditional support of the Hungarian people, government, and party for the Sandinist People's Revolution.

He added that the Nicaraguan delegation also met with the chairman of the Council of Ministers, who reported to them on the results of the Congress of the Socialist Workers Party of Hungary.

Those present at the meeting of the Nicaragua-CEMA mixed commission discussed the solutions to Nicaragua's economic problems, the revision of our country's investments in various projects financed by CEMA, and the establishment of a soft fund to generate money to be used as matching funds for the Sebaco agroindustrial project and the deep water project in El Bluff, reported Cmdr Ruiz.

Other matters discussed by the Nicaragua-CEMA mixed commission were the implementation of mechanisms to solve the problem of transporting Nicaraguan imports and exports; technical assistance from the GDR, which will soon send 20 specialists; GDR financing for a base study to improve our transportation; the creation of mass study centers financed by the member countries of CEMA for youths demobilized from Patriotic Military Service; and the arrival in Nicaragua of a technical delegation from Czechoslovakia in order to finalize

the details of a plan for that country to participate in the construction of a textile plant in Esteli.

Cmdr Ruiz reported that the 4th Session of CEMA will be held in Managua in October 1987. "We are already regarded by CEMA as adults who are capable of solving our own problems. The Nicaragua-CEMA mixed commission is a prototype for other countries such as Madagascar," he indicated.

The Nicaraguan delegation that traveled to Hungary was headed by Cmdr Ruiz, and was made up of Jose A. Buitrago, vice-minister of external cooperation; Maria I. Arguello, director general of CEMA in our country; Joan Jovane, adviser to the minister; Daniel Fajardo, vice-minister of industry; Francisco Guzman, vice-minister of the National Council of Higher Education (CNES); Roberto Borge, an official with External Cooperation; and Manuel Coronel Kautz, vice-minister of agricultural-livestock development and agrarian reform.

The delegation was welcomed at the airport by the Hungarian ambassador to our country, Istvan Soos, and by Cesar Arostegui, vice-minister of external cooperation.

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CSO: 3248/103

## SWEDISH DEVELOPMENT MINISTER VISITS MINES

Managua BARRICADA in Spanish 13 Nov 86 p 5

[Text] Mina El Limon--A reserve of 4 million tons of production at the Francisco Meza Rojas Complex, with a total production of 22,100 ounces of gold for 1986, is part of the fruit of the government-to-government cooperation between Sweden and Nicaragua, which has grown even closer since the end of 1981. This was revealed by the workers at that enterprise to Swedish Minister of Cooperation and Development Lena Hylen Wallen during her visit to the facilities.

In addition to \$18 million a year in economic financing, the cooperation includes some pilot projects involving health programs for the mining sector, training and assistance by Swedish experts, and the establishment of the Olof Palme Training School, among other things.

The official expressed her satisfaction with the wide-ranging discussion of the work carried out, in particular the projects in geological prospecting and mining-metallurgy, which had never before been done in the country. She stated that she was impressed with the work and the Nicaraguan people's constant struggle to attain independence and development, despite the difficult circumstances caused by foreign aggression.

The tour, which she made in the company of Commander of the Revolution Henry Ruiz, minister of external cooperation, included the processing plant, the hospital and laboratory areas, the central workshop, and a visit to the Santa Pancha Mine.

### Solidarity and Revolution

"The effort to join governments and peoples together and organization are like a security ring in international solidarity," stated Cmdr Henry Ruiz in assessing the country's prospects for economic development over the next year.

He explained that the state budget for 1987 will attempt to keep the same level as this year. In terms of planning, this means "curtailing spending without repressing the national economy, and above all, trying not to harm the workers."

In the area of trade, he explained that both imports and exports will be carried out under systems for obtaining better prices in order to boost the exchange price ratio, primarily with governments that support Nicaragua's cause.

"What we must create is a more rational, more consistent, less spontaneous national economy," stated the commander, pointing out that this will not reduce exports. "The economy will be governed by the net generation of foreign exchange, but we must say that cotton and sugar do not yield net foreign exchange, and we must make up for that shortfall with products that do," he said.

Ruiz recommended that we not spend more than we produce, and explained that if producing a quintal of cotton costs about \$42 and it is sold for approximately \$30, naturally this is not a profitable activity. Thus, "we do not go strictly by economic principles to stabilize the economy, but rather look at the problem of the productive activity of the people . . ." he said.

Therefore, he said, cotton production will meet the demand of the textile industry, adding value to that product, or in other words, converting cotton into thread, fabric, etc.—goods that do have a sufficient market. It is a matter of changing the practice of the past, he said, when we were merely producers of gold cotton for foreign industry, which would turn around and sell us the finished product.

8926

CSO: 3248/103



STATE CONTROL OF ECONOMY FORMALIZED

Managua BARRICADA in Spanish 30 Oct 86 p 1

[Text] Parliament yesterday began debate on the Economy Chapter of the draft Political Constitution of the Republic, approving eight articles. These include Articles 98 and 99, which state that the principal function of the state is to promote the material development of the country in accordance with the popular masses.

Article 99 provides that the state should direct and plan the national economy, and that it has irrevocable control over the central banks, the National Finance System, insurance and reinsurance, and foreign trade.

Article 100 says that the state should promulgate a law on foreign investment, and Article 101 sets forth the right of workers and other productive sectors to participate in the formulation, execution, and monitoring of economic plans.

Article 104 is a complement to the previous article, stating that businesses' economic plans must be drawn up with the participation of the workers. It also stipulates that businesses are equal before the law and the state's economic policies.

Article 102 provides that natural resources are the national legacy, and that the preservation of the environment and the conservation, development, and rational exploitation of natural resources fall within the purview of the state.

Forms of public and private ownership of property are guaranteed in Article 104, which provides guarantees for cooperative, associative, and community ownership, all as a function of society.

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CSO: 3248/103

PERU

PRESIDENT GARCIA ATTENDS MIRAGE RECEPTION FLIGHTS

PY091325 Lima Television Peruana in Spanish 0100 CMT 9 Dec 86

[Text] President Alan Garcia Perez today attended the first demonstration flight on the Mirage planes recently acquired from France. The president left Government Palace at 1010 this morning for Las Palmas Air Force Officers School, where he boarded a plane that took him to Pisco.

The ceremony of the delivery of the modern planes was staged at the Air Group No 9 in Pisco.

[Begin recording] [Reporter] What are the characteristics of the Mirage 2000 planes that we have seen in this flight demonstration?

[Unidentified general] This is a multipurpose plane, which means that it is a fighter-bomber. The fighter-bomber is designed to attack land-based targets. It is also an interceptor that can destroy missiles or aircraft in the air.

[Reporter] What are the minimum and maximum speeds of these planes?

[General] The plane's speed varies from 140 knots--at which it can land--up to 2.3 MACH.

[Reporter] We saw the first four planes. We understand that eight more will be coming. When will they arrive?

[General] The next four, late next January.

[Reporter] And the other four, General?

[General] I believe that they will be here late in February. The 12 planes should be here by March 1987.

[Reporter] Were the planes flown today by Peruvian pilots.

[General] This was not a demonstration, but a reception of the planes. You have seen that there was no demonstration as such. The pilots took off and then returned after a 40-minute flight.

[Reporter] Can our pilots fly this type of plane? We understand that a delegation was in France to get acquainted with these planes.

[General] Of course. We have a group of pilots who were in France last year. They are back in Peru and they piloted the planes today.

[Reporter] How do you evaluate the flights we observed this morning?

[General] Well, I believe they were satisfactory. According to the pilots' reports, everything is O.K., all the systems are working and operations.  
[words indistinct]

[Reporter] Will there be a demonstration by Peruvian pilots in the near future?

[General] On 14 December, if there is no technical difficulty and nothing unforeseen happens, we want to show these planes to the public. Peruvian pilots will fly them. [End recording]

/6662

CSO: 3348/133

FRG DONATES FOOD TO ANDEAN TRAPEZOID

Lima EL NACIONAL in Spanish 1 Nov 86 p 8

[Text] The Federal Republic of Germany yesterday signed a pact with the National Office for Food Support (ONAA) under which it will donate more than 8,000 tons of food to the country. Half of this food will be distributed in the area of the Andean trapezoid and insome places in the east that suffered natural disasters recently.

The head of the ONAA, Rino Cordoba, stated that of the food donated by the FRG, more than 4,000 tons will be sold on the national market in order to obtain funds for the Peruvian-German Cooperation Project of Arequipa (COPASA). He explained that a large number of experts from both countries are already working on this project in order to expand the area's agricultural frontier by reconstructing cultivation terraces and irrigation channels. In the same way, a number of short courses are being offered in the area to promote the consumption of products that are indigenous to the region.

He also indicated that among the donated foods are oatmeal, dry wheat, and wheat flour, which will be distributed particularly in the areas of Puno, Huanuco, Loreto, and Ucayali.

In addition, Rino Cordoba stated that so far this year, ONAA has obtained major donations of food, valued at over \$16 million, to be sent to the most depressed areas of the country.

He also said that for several months an integral food program has been developed, aimed not only at newborns, but at the family as a whole. The adviser to the FRG embassy, Herbert Beyer, was responsible for signing the pact on behalf of his government. He indicated that this donation is one of many which the Federal Republic of Germany has sent to help Peru in the past 25 years.

He also said that this country has been helped with low-interest loans, which have been invested in agricultural development. In addition, he stated that technology has been provided as well.

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CSO: 3348/122

#### GOVERNMENT DEFINES 1987 ECONOMIC GOALS

Lima EL COMERCIO in Spanish 1 Dec 86 p A-4

[Text] President Alan Garcia, in a meeting yesterday with the prime minister and head of the Economy Ministry, Luis Alva Castro, and the members of the economic team, nailed down the final details of the economic program for 1987.

This program, basically, will pursue a growth rate of 6 percent, keep inflation down, and gradually raise workers' pay at a rate 6 percent above the inflation indices.

Attaining these goals, explained Vice-Minister of the Economy Gustavo Saberbein, will depend on a practical coordination among the government, business, and labor.

This was reported at the end of the meeting by both the vice-minister of the economy and the president of the Central Reserve Bank (BCR), Leonel Figueroa Ramirez.

Also present at the meeting in the Palace, which lasted nearly 2 hours, were the chief of the National Institute of Planning (INP), Javier Tanlatean Arbulu; the president of the Foreign Trade Institute, Enrique Cornejo Ramirez; and the other members of the government's economic team.

#### Saberbein's Statement

Vice-Minister of the Economy Gustavo Saberbein stated that "economic planning for 1987 is aimed at these fundamental objectives: a growth rate of 6 percent of the GDP, continued reduction of inflation, and steady growth of wages at 6 percent a year, in real terms, above inflation."

He added that within this framework, in an effort to continue improving the national economy, the income distribution and administrative decentralization policies will be maintained.

With regard to accusations that a "little printing press" is operating (issuing currency without backing), he categorically denied them and stated: "It is not true. The government is not turning the crank on any machine.

What it is doing is turning the crank on factories, on entrepreneurial talent, and on the professionals who work in the country."

He added that all of this is in keeping with the desire that everyone work together and guarantee that "employment grows constantly and that wages rise as production increases" in Peru.

As for the economic prospects for 1987, he stated that in view of the figures and the results obtained during the current fiscal year, "these achievements will be repeated in 1987, based on a joint effort among business, labor, and government. The objectives are to keep the economy growing, cut inflation, and attain real growth in wages--all for the purpose of solving the serious plight in which the country still finds itself."

In response to a question, he said that details of the exchange rate were not discussed at the meeting.

#### Leonel Figueroa Speaks

The president of the BCR, Leonel Figueroa Ramirez, said in separate statements that the economic program for 1987 contains measures aimed at "reactivation, investment, and the improvement of wages."

In response to questions regarding an alleged lack of dollars to support the reactivation, he replied that "it is not true that there are no dollars. Who has said that? We have dollars."

He denied the report that tasks such as that of the PAIT, for example, were draining dollar reserves: "The PAIT does not use a single dollar. Are the people in the PAIT paid in dollars? Not at all. Not a single dollar is used."

Within the economic program discussed with President Alan Garcia, some measures were studied that basically coincide with what has been announced since the beginning of this government, he emphasized.

"Those who assert that there has been no medium-term policy are wrong. We have a very clearly defined policy that covers the medium term, but obviously it had an initial stage of stabilization and reduction of inflation."

He added that at the same time, within this program there is a reactivation and reinvestment stage, "after the success in combatting inflation. At the same time, we have managed to grow, because this year (1986) we will have a 7.8-percent growth rate, extremely high for this country. We expect that growth to continue in 1987."

He emphasized that this growth must continue not only in terms of consumption, as now, but also in terms of investment.

"For this purpose, a package of mechanisms is being designed. It will come under the same program, but at a higher stage."

As for the operation of the "little printing press" (which is still operating, Populist Senator Javier Diaz Orihuela claimed in Arequipa recently, citing documents from the BCR), Figueroa stated that Parliament may have its own reasons for claiming this, but "the issuance (of currency) has been a very major and far-reaching factor since the beginning of the present economic program."

"It is obvious that the process of 'dedollarization' naturally involves some issuance of currency," he explained, reiterating recent assertions to the same effect.

He justified these measures, however, adding that "this issuance has been gradually brought under control through the application of monetary mechanisms such as the (bank) reserve ratio, which has made it possible to restrict the use of liquidity."

He added that any economic recovery requires credit support, and that it is possible that Senator Diaz Orihuela "made comparisons with periods when the economy was in a recession, cases where monetary instruments were indeed utilized."

He concluded the discussion of this matter by stating that the government's actions in the monetary sphere "do not mean that there is any disorderly, unbacked printing of currency in these activities; all the liquidity growth has been in small increments (from 7 to 8 percent), and by the way, it is backed up by production."

He denied that such currency issuances could be considered "unproductive," in response to a question to that effect. Presenting another justification for this measure, he pointed out that "when production grows, the means of payment must also grow; that is a natural thing."

He reiterated, along other lines, that it is not true that any commitment has been made to the Inter-American Development Bank regarding changes in interest rates. He noted that the only document that exists is "an aide-memoire that sums up the different issues discussed; interest rates will not move, as we have already said."

With respect to the announcement several weeks ago that a mission will come to Lima to look into the debt to foreign banks, Figueroa explained that this matter is being handled by the vice-minister of the economy, who is responsible for making the necessary announcements.

Referring to the dollar reserves, he explained that this is a factor that is subject to constant fluctuations, as a dynamic element in the economy, and that liquidity is being maintained despite certain seasonal elements that are not significant.

In answer to a reporter's question, he denied that he will become minister of the economy any time soon: "Absolutely, absolutely not. There is no truth to that . . . ."



ALVA CASTRO: ANNUAL INFLATION RATE TO REACH 60 PERCENT

Lima EL COMERCIO in Spanish 1 Dec 86 p A-4

[Text] Inflation for the month of November reached 3.5 percent, and thus it is projected that by the end of the year this indicator will have edged just above 60 percent, with an average monthly rate of 5 percent.

Meanwhile, the cumulative Gross Domestic Product for January to October grew by 7.8 percent, even though the government had projected it at just 6 percent for the end of the year.

These figures were revealed by Prime Minister and Minister of Economy Luis Alva Castro at the end of the penultimate month of the year.

Based on figures which he said came from the National Institute of Statistics, he announced that "the growth of production in the first 10 months of the year, that is, from January to October, has exceeded the goals set by the government itself."

He said that he derived satisfaction from making these announcements, but that he was not being smug. At the same time, he indicated that these were results and not projections or prognoses, although he noted that economic progress and other factors indicate that the prospects are good for production to advance satisfactorily in 1987.

"The situation of the economy is such that production can continue to expand, prices are stabilized, the state is spending what is necessary on priority projects, and the private sector is responding with more efficiency," emphasized Alva Castro.

He added that all these factors lead to the conclusion that the great upsurge in production proposed last year by President Alan Garcia and the government should be repeated next year, "making the reactivation a sustained process."

These statements were made after a meeting to assess the performance of the national economy. The minister added that the growth of the Peruvian economy proves the validity of one of the basic tenets of the government's program, "stimulating the growth of domestic demand, and thereby production."

"We did not subscribe to that strange idea of boosting demand without boosting production, which was done during the years when imports were stimulated," he stressed.

He also pointed out that production is being given priority and will continue to be, and that the policy of closing our market to unfair competition from abroad to protect national industry will be maintained. In addition, "the stabilization of prices has been the best way to defend the wages of all Peruvians."

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CSO: 3348/122

# 1986 BUDGET FIGURES SET AT 70 BILLION INTIS

Lima EL COMERCIO in Spanish 1 Dec 86 p A-4

[Text] The budget of the republic for 1987 will total 70 billion intis, which represents an increase of 9 billion intis over the original draft budget submitted by the administration at the end of last August, according to statements made yesterday by Deputy Alfredo Montenegro Oliva. Montenegro Oliva, a deputy for the American Popular Revolutionary Alliance (APRA), is a member of the Bicameral Budget Committee.

The APRA legislator thus confirmed statements made previously to EL COMERCIO, in which he had announced that the budget figures would be readjusted by the Ministry of Economy and Finance "to the current levels."

He recalled that the budget was worked out in terms of the costs of last May, and it was reported "verbally from that ministry that the new figure would be 70 billion intis."

He said that the documents containing the updated figures have not been officially received from the ministry, but this should happen any moment. It is certain, however, that this will be the total.

Montenegro Oliva stated that a large percentage of the increase is due to the readjustments of wages and salaries in the public administration.

"There will also be increases in the budgets of certain ministries and other institutions," he said, without specifying which sectors will be so favored.

Montenegro Oliva said that the draft Annual Budget Act will contain a specific regulation aimed at exercising rigorous control over public officials.

In this regard, he said that any official, regardless of rank, who shows outward signs of wealth not commensurate with his income will be investigated by the internal authorities of his entity or by the General Comptrollership of the Republic.

"It is not enough to make an affidavit before taking office," he said.

In addition, Deputy Celso Sotomarino Chavez, a member of the Popular Christian Party (PPC) who is also a member of the committee, stated that in accordance with the work schedule of the committee (which has declared a permanent session), debate will begin on the draft Annual Budget Act on 9 December.

He stated that 3 days before then, a copy of the document will be distributed to all legislators, thus giving them enough time to study it.

According to the Constitution, the bill must be passed before 15 December, when the regular session of the legislature ends.

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CSO: 3348/122

LABOR MINISTER: CURRENT MINIMUM WAGE SUFFICIENT

Lima EL NACIONAL in Spanish 1 Nov 86 p 25

[Text] Labor Minister Orestes Rodriguez asserted yesterday that the raise in the minimum living wage to 900,000 intis, decreed by the government, is enough for workers make a decent living. "If they got by under the previous administration on a wage of 350,000 intis, with inflation running at 250 percent, how can they not get by on a wage of 900,000 and inflation that we have brought down to 67 percent?" he said.

This was how Minister Rodriguez Campos responded to those in various sectors who have been criticizing the announced increase as too little.

One of the strongest reasons put forth is that the National Statistics Institute (INE) itself has calculated that the family basket, which includes all of the basic necessities and services that are essential to support a family, is not less than 7,000 intis under the present government.

Yesterday the labor minister stated that the INE's figures are just referential, and do not necessarily reflect the true situation.

"The government has made every effort to restore buying power to our population, and one indication of that is the recent raise in the minimum wage to 900,000 intis, on which one can live very well," stated Orestes Rodriguez. Speaking at the end of the ceremony delivering the resolution appointing the management committee of the new socially-owned enterprise URPI, which is made up of handicapped workers, Minister Orestes Rodriguez also responded to the objections raised by the Intersectorial Confederation of Public Employees (CITE) to the equalization of salaries in the public administration. The claims that the measure is discriminatory are "political, but respectable," he said. "We have not discriminated against anyone. What we have done is to recognize the years of university study put in by professionals in the public administration so that we can compensate them for that and keep them in the government service," he stated.

At another point, referring to the labor climate in the country, Rodriguez Campos said that it is one of total peace, the only problem remaining to be solved being that of the workers in the Canarias mines.

"Although we inherited this problem from the previous administration, we are solving it. The Economy Ministry is finishing up the last details to take care of this matter," he emphasized.

In this context, the minister was asked about the serious conflict involving the workers of the defunct newspapers LA PRENSA and ULTIMA HORA, which were shut down 2 1/2 years ago. The workers have still not been paid their severance pay and back wages. Minister of Labor Orestes Rodriguez stated emphatically that the owners of this company should immediately honor the rights of their former employees.

"We know that at LA PRENSA and ULTIMA HORA there are very significant fixed assets, so Mr Arturo Salazar Larrain, who represents the owners of these companies, should begin selling them off so that the workers can be paid."

"If this does not happen in the next 48 hours, I am going to call the liquidating board and the workers' representatives to my office."

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CSO: 3348/122

## HIGH COSTS OF NATIONAL PORTS NOTED

Lima EL COMERCIO in Spanish 28 Oct 86 p A-8

[Text] "Peruvian ports continue to be the most expensive in the world. With the implementation of new port fees, national shipping firms will have to compete at a disadvantage with other firms of various countries that enjoy tax exemptions," stated Carlos Blondet Montero, first vice-president of the Association of Ship Owners of Peru.

Commenting on the recent hike in port rates at Callao, he stated that these changes in the rules of the game are a real threat to the stability of this sector that is so vital to the development of our foreign trade.

He argued that national shipping activity was declared by previous governments to be "strategic, a national priority," and they provided incentives both for the promotion of established companies and for the formation of new ones. This has always been considered a key element in the development of foreign trade.

"Unfortunately," he emphasized, "this promotional effort has declined to the point of almost disappearing these days, because the environment in the country has become completely hostile to the growth and development of existing shipping firms."

Referring to the rate hikes, he recalled that in 1982 a 300-percent increase was declared, in dollars. "Moreover, the fees for lighthouses, buoys, and anchorage have also continued to rise, making this category of port fees an important factor in the rise in operating costs of Peruvian shipping firms," stated Blondet Montero.

He also said that the financial costs paid by the shippers on the local financial market are excessively high compared to international rates. He noted that the lines of credit granted by local banks cost shippers 15 percent, which is excessive compared to the current level of the Libor and prime rate.

"Now, with the implementation of this tax, national shipping firms will be at a disadvantage in competing with other countries that provide tax exemptions," he added.



Blondet Montero was emphatic in pointing out that the merchant marine should be broadly protected, because it is one of the essential elements in international trade for import and export cargoes, "a very important activity in the national economy that undeniably serves the interests of a developing country."

He said that the development of the merchant marine is also important because it constitutes a focal point within the economy to generate capital and highly skilled labor, and it also has a multiplier effect through logistical support.

"There is also another reason. The national merchant marine is the fundamental reserve of the Navy, with all the attendant influences and implications in terms of its strategic value for the nation's defense," he stressed.

He pointed out that the tax incentives which were created in 1970 and 1978 have been almost entirely eliminated. "Instead, taxes have been created which impede the activities of the shipping firms; one example is Legislative Decree 362, which eliminates the tax benefits of reinvesting profits."

To take advantage of this income tax credit, shipping companies had to reinvest a minimum of 85 percent of their net revenues, which thus strengthened their microeconomies.

In this way, he indicated, the national shipping companies, based on the tax benefits and the time periods set forth in the repealed legislation and laws to promote the development of the national merchant marine, have made reinvestments in the purchase of vessels, and have thus built up considerable debts in foreign currency, and now "they face high finance charges and exchange differentials."

He reported that the countries of Latin America, through their legislation on taxes and cargo reserves, are moving toward stimulating and developing their merchant marines. "The reasons why the merchant marine of a given country should be broadly protected are overwhelming," he concluded.

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CSO: 3348/122

## BRIEFS

AGRICULTURAL COOPERATION WITH MEXICO-- Mexico City--Peruvian Agriculture Minister Remigio Morales Bermudez discussed with his Mexican counterpart, Eduardo Pesqueira, the imminent signing of an agreement for cooperation and technological exchange in the agricultural sphere. The two officials held meetings on this subject, taking advantage of the annual session of the Agricultural Cooperation Institute in this capital city. The ministers of agriculture of Latin American countries are attending this gathering. Morales Bermudez discussed with Pesqueira the support that Mexico could give Peru in the implementation of the comprehensive agriculture-livestock marketing system (PROCOMPRA). This support could be provided on the basis of Mexico's experience in this regard among low-income people, with the National Company for Basic Commodities (CONASUPO). CONASUPO has been operating for more than 15 years. Another point that would be included in the technical-food cooperation agreement would be the training of management and technical personnel to run the PROCOMPRA system. During the talks, the ministers also dealt with how to take advantage of Mexico's experiences in building silos, storage rooms and warehouses, and the large supply center located in the suburb of Ixtapalapa. This center provides much of the supplies for Mexico City's [illegible] million residents. [Text] Lima EL PERUANO in Spanish 29 Oct 86 p 1] 8926

VENEZUELAN DELEGATION TO AYACUCHO BATTLE COMMEMORATIONS--Lima, 7 Dec (AFP)--Venezuelan Defense Minister Gen Jose Cardozo Grimaldi arrived here today to attend the Battle of Ayacucho anniversary celebrations on 9 December. Cardozo Grimaldi arrived aboard a Venezuelan Air Force plane that landed at a Lima airport military base at 1330 local time (1830 GMT), according to an official report. The defense minister is accompanied by General Fernando Assing Sanchez, Gerardo Venegas Leon, and Jose Jimenez Marquez. Tomorrow, the official Venezuelan delegation will travel to Ayacucho, 575 km southeast of Lima, to attend Tuesday's commemoration of the 162d anniversary of the Battle of Pampa de la Quinua. The 1824 Ayacucho Battle allowed the liberating forces, headed by Marshal Antonio Jose de Sucre, to defeat the royal forces of General Jose Canterac and thus consolidate American independence from Spain. [Text] [Paris AFP in Spanish 2307 GMT 7 Dec 86 PY] /6662

NEW JUDGES APPOINTED--Vicente Ugarte del Pino has been appointed president of the Peruvian Supreme Court in place of Hector Beltran Rivera, and Jorge Morales Arnau has been appointed president of the Lima Superior Court. [Summary] [Lima Panamericana Television in Spanish 0330 GMT 5 Dec 86 PY] /6662

'PIA VESTA' CASE FINAL REPORT--Lima, 6 Dec (EFE)--Senator Javier Silva Ruete, chairman of the Congressional Committee investigating the case of the Danish ship "Pia Vesta," which was allegedly smuggling weapons, has stated that its cargo was bound for Central America. However, the senator did not indicate which Central American country. Silva Ruete had previously remarked that the weapons were bound for Peru, but apparently only in transit. Silva Ruete stated that the "Pia Vesta" sailed 40 miles off the port of Callao, and that it was confirmed that no weapons were unloaded in the country. The vessel did not reach the port because it seems that it received instructions to sail elsewhere, Silva Ruete indicated, adding that the final report on the case is now being prepared. Remarks by other members of the investigating committee, such as Deputy Aureo Zegarra, indicate that the weapons were really bound for Peru, and that several persons within the country, who were not named, are involved in the smuggling. It seems that the "Pia Vesta" case will be debated by the Peruvian Congress in April 1987, when next year's session begins. [Text] [Madrid EFE in Spanish 2231 GMT 6 Dec 86 PY] /6662

CSO: 3348/133

## ELECTION CAMPAIGN FEATURES SPEECHES, POLICY STATEMENTS

### NAR's 'Immediate Action Plan'

Port.of-Spain SUNDAY GUARDIAN in English 30 Nov 86 p 29

[Text]

**A.N.R. ROBINSON, political leader of the National Alliance for Reconstruction (NAR), in his speech at Woodford Square on November 16 when the NAR's campaign was launched, outlined what he termed an "Immediate Action Plan" to roll back the recession if his party is elected on December 15. The plan is as follows:**

• WITH general elections approaching, the crisis in confidence deepens; and understandably so, since our country has not experienced political change for the past 30 years. The National Alliance for Reconstruction proposes to make the change as smooth and comfortable as possible and to ensure an orderly transition of power while simultaneously confronting the issues of the day in a most positive manner.

The sober, responsible and experienced statemanship which the National Alliance for Reconstruction will bring to the helm of the ship of state will allay the fears and insecurities of our people and restore the confidence needed to reconstruct and build our nation.

On being voted into office, the NAR government will forthwith put into effect the following action plan:

1. Prepare and present to the Parliament legislation to establish the Integrity Commission as required by the Constitution. The commission will be given power to advise the Prime Minister on the conduct of Ministers and, in appropriate cases, to publish its advice.

2. Introduce a Register of Gifts to make registration compulsory of all gifts received from foreign governments, business corporations and private individuals by members of Cabinet in the course of official duties.

Gifts above a certain value will be deemed to be the property of state.

3. Introduce a Code of Ethics for members of Cabinet, parliamentarians, public servants and members of local government bodies.

4. Present to Parliament the Report of the Commission of Enquiry on Drug Abuse.

5. Take steps to speed up the printing and publication of Hansard, Auditor General's Report and other reports laid on the table in Parliament.

6. Hold meetings with all the Public Service representative bodies for the following purposes:

(a) To pledge no victimisation of public sector workers on the grounds of race, creed, colour, sex or political affiliation and the continued observation of those provisions in the Constitution relating to the Public Service.

### National Resources

(b) To discuss administrative reform of the Public Service with specific regard to the speeding up of decision-making, managerial efficiency, job performance, re-organisation and modernisation, and the elimination of political interference.

7. Establish a Joint Parliamentary Committee on Banking and Finance to meet with all financial institutions in the most judicious manner possible to discuss with the financial sector, measures that can be taken immediately to restore confidence, to encourage savings, to attract investment capital and to chart a new role for the financial sector in national development, including the feasibility of establishing a jointly owned branch bank in the metropolitan areas to attract financial resources from nationals of Trinidad and Tobago and from other persons and institutions resident overseas and to use such funds to finance viable industrial projects in Trinidad and Tobago.

8. Convene a joint meeting with representatives of the business community and trade unions to discuss measures to promote economic stability and growth, industrial peace, stability of prices and incomes, and the creation of jobs.

9. Establish on a functional and permanent basis:

(a) National Economic Advisory Council.

(b) National Planning Commission.

10. Revise the Standing Orders of Parliament to provide for:

(a) The establishment of the required committees to enable continued and adequate parliamentary vigilance over national, regional and international affairs.

### Jobs And Ability

(b) The vesting of these committees with the appropriate authority and powers, as well as providing them with the necessary resources to function.

(c) The opening of parliamentary debates to the electronic media.

11. Enact a Freedom of Information Act.

12. Establish a telecommunications authority to supervise and regulate the use of the airwaves with particular emphasis on the development and use of new technology, for example, satellites, the granting of radio and television licences, to supervise and regulate all sound and visual broadcasting.

13. Establish a Manpower Planning Commission, the functions of which will include the preparation of proposals for training of unemployed youths, for the creation of jobs suited to the ability of the unemployed and for the creation, on an on-going basis, of new permanent and productive job opportunities.

14. Establish a Permanent National Commission to study the influences on jobs, prices and growth of fiscal and monetary policy.

15. Use Sou-Sou Lands concept as a base to commence a nation-wide programme to provide agricultural and building lands, housing and job opportunities.

16. Cease immediately the demolition of all squatters' huts, regularise and legalise the land tenure of squatters on public lands not required for development purposes; relocate as far as possible those squatters who are now on private lands and those who are on public lands required for other developmental purposes; assist squatters on private lands to acquire such lands through private treaty from the owners.

17. Initiate discussions with the financial institutions and the construction industry to put in motion a building programme especially for primary schools and low income housing.

18. Commence decentralisation of government functions enhancing the responsibilities of local government bodies and providing for the effective functioning of village councils and community councils.

19. Institute a programme of infrastructural works, especially in the areas of drainage, irrigation and agricultural access roads, to provide relief to agriculturalists and the citizenry.

20. Provide an amnesty for all Caribbean Commonwealth citizens who are here illegally at the present time.

21. Honour the commitments to Tobago made by both Houses of the National Parliament with appropriate safeguards.

## Youth Of Country

22. Develop a National Youth Train-

ing and Service Programme which will incorporate a National Apprenticeship Scheme. Under the auspices of this programme, the youth of the country will be organised for productive efforts in such areas as:

- (a) Building new communities.
- (b) Improvement of roads, bridges and general infrastructure.
- (c) Land preparation, irrigation works, crop and livestock farming.
- (d) Building of agricultural access roads.
- (e) Arts, crafts, sports, music, drama and dance.

23. Put into operation the mechanisms for rehabilitating drug addicts on a nationwide basis and to eradicate the drug culture.

24. Encourage nationals living abroad to bring home their skills and expertise to the task of nation building. Through the network of our foreign missions an NAR government will develop a pool of personnel available for short and long-term employment in areas of their respective skills and expertise. The National Alliance for Reconstruction provisions for dual citizenship will enhance this thrust.

25. Commence a programme of fiscal measures to promote initiative, self-help and self-reliance and expansion in the private sector.

26. Initiate measures progressively to eliminate the disabilities experienced by women in the society and to promote their full participation at all levels of national life.

## National Pride

27. Initiate a comprehensive programme of training in business management in the state enterprises, the public utilities and the small business sector aimed at creating new managers and entrepreneurs capable either of running these enterprises or of entering into private business on their own initiative.

28. To discuss with the service clubs and charitable organisations the establishment of a charitable foundation which will be funded through public appeal with matching contribution from the Government. These funds will be entrusted to the Central Bank for investment overseas. The returns from the fund will be used to finance medical and other expenses of those citizens who require surgical and/or other operations overseas provided that these operations cannot be performed locally. This will be linked with the efforts of the Government and the university to establish at the Mt Hope Medical Complex, through a joint venture with a university hospital, research or other organisations of international repute, the capability for conducting research and performing surgical operations in areas that are not now covered regionally.

29. Institute measures to promote patriotism and moral and spiritual values (particularly in the nation's schools); to foster Caribbean unity, a sense of history and national purpose and an understanding of the unique role of our multi-racial society in the world community of nations.

## Als Forecast of 'Unrest'

Port-of-Spain DAILY EXPRESS in English 1 Dec 86 p 2

[Text]

**LOOK forward to the secession of Tobago if the People's National Movement wins at the polls on December 15.**

So said People's Popular Movement chairman Michael Als as he addressed the public meeting at the Roy Joseph housing settlement in San Fernando recently.

According to Als, who had earlier been presented as the party's candidate for San Fernando West, the position would eventually be the same if the National Alliance for Reconstruction wins because "the position of Tobago will be exaggerated.

"Look out too, for sabotage and disruption in the public service if either the PNM or the NAR wins," he declared, "and look out for unrest in the protective services."

The statements came as Als put forward what he called, "the case for positioning the PPM as the third force in the general election."

The PPM leader said there was a need for a third political instrument to balance a situation where "two big parties would be tearing at each other's throats."

He pointed to a situation of "polarisation" which he said had occurred in Jamaica as a result of the existence of two "giant parties."

"Governing will be made impossible," he declared. He said the inability to govern would lead to a state of emergency and repression and the country will be "swinging like an uncontrolled pendulum."

"This is one time where the question of size will not work in the national interest," he said.



## Chambers' Attack on IMF

Port-of-Spain TRINIDAD GUARDIAN in English 1 Dec 86 p 1

[Article by Clevon Raphael]

[Text]

TRINIDAD and Tobago has no secret agreement with the International Monetary Fund (IMF), Prime Minister George Chambers stressed Saturday night while delivering a blistering attack on the IMF at a political meeting.

Denying an allegation which he said was being made by the Opposition National Alliance for Reconstruction (NAR), Mr Chambers described officials of the IMF as being "impertinent".

Trinidad and Tobago, he reiterated, never had any stand-by arrangement with the IMF and as long as PNM was in office this country would never go to the IMF, he added.

Mr Chambers told the large crowd in the Croisee, San Juan, at the meeting in support of PNM candidates in the December 15 general election, that "they" spoke about the IMF as if it was some mysterious organisation.

Speaking in his capacity as Political Leader of the PNM, Mr Chambers said it was nothing more than a club of independent countries which subscribed to articles governing the financial system.

Charging that "they" behaved as though the IMF was something that cured everybody's illnesses, he declared:

"The IMF cannot dictate to me. They cannot dictate to me. I have no secret agreement with the IMF. What the gentleman was referring to was about some secret IMF report; and would you believe that gentleman was the person who signed the agreement to join the IMF.

"He is the man who signed the Articles of Agreement. I thought he understood what he was signing. The IMF agreement requires the IMF to hold consultations annually with its members. So they come down to Trinidad and Tobago annually, and they come at a time when we agree they could come.

### Write Rubbis'

"They cannot just jump on a plane in Washington and come down here. They have to ask us if it is convenient for us to see them. They want to come tomorrow, I say you cannot come tomorrow, we have an election next week."

Telling the crowd that they must stop letting people make them believe that the IMF was Jesus Christ, Mr Chambers, who is defending the St Ann's East seat, added:

"The IMF civil servants, you help to pay their salaries. They don't run Trinidad. You help to pay their salaries, the IMF civil servants who, some of them, are damn impertinent.

"Some of them are quite impertinent. And when they come down here and don't get to see a Prime Minister or a Minister directly, they run back peeved and write all kinds of rubbish. They are international public servants."

Since 1981, he added, he saw them only once and he did not want any international public servants to come here and tell him what policies we must implement in Trinidad and Tobago.

"If you see what is happening all over the world where people have gone cap in hand for stand-by arrangements with the IMF. "Right now the IMF is causing more social dislocation and political disorder than any other political organisation, than any other international organisation, by the asinine rules, by the asinine conditions that they are inflicting on developing countries, for a few paltry million dollars for development works.

"You better off in Trinidad saying as we do, we are prepared to pull up ourselves by our own bootstraps and take no orders from any damn body." (applause).

He said the IMF came and they told the Government something about consolidating purchase taxes into a sales tax and he had no difficulty with that, because the tax would have been put at the actual point where he would have wanted to discourage consumerism.

He described as absolutely untrue the allegation that he had a secret agreement with the IMF to increase income tax and challenged the Opposition to produce the "agreement" he had with the IMF.

Since 1974, he added, the IMF was telling Trinidad and Tobago its utility rates were too low.

## NAR Divestment Plans

Port-of-Spain TRINIDAD GUARDIAN in English 3 Dec 86 p 10

[Article by Mickey Mahabir]

[Text]

**SAN FERNANDO**—OPPOSITION LEADER BASDEO PANDAY said that an NAR Government would concentrate on divestment in certain State Enterprises engaged in commercial activities as a source of income.

That would be one of the measures to promote participation by a large section of the population in ownership and control of the national economy.

Mr Panday is one of the two Deputy Political Leaders of the National Alliance for Reconstruction.

Referring to PNM's criticism about the NAR'S proposal regarding the \$12,000 personal tax relief, he mentioned four major projects in which taxpayers money had been injected — the Mount Hope Medical Complex, Hall of Justice, Financial Complex and the Racing Complex.

He said that the overall cost of those projects was \$871 million, emphasising: "If that money had been injected into the economy to widen the economic base, unemployment would not be what it is today."

He believed that more people would have been employed and with more employment, more people would have been paying taxes at a lower rate and that would have made up for any shortfall.

Referring to a statement by External Affairs Minister Errol Mahabir, PNM candidate for San Fernando West, that increased tax relief will drop revenue by \$750 million, Mr. Panday said:

"What Mr. Mahabir assumes is that the Government must keep spending at the rate it is spending. We make no such assumption.

"We feel that the Government can be run much more economically if they get rid of corruption and mismanagement."

About the December 15 general election, Mr. Panday who is defending the Couva North seat said he was looking forward to an overwhelming victory.

### Robinson on IMF, Tax Action

Port of Spain TRINIDAD GUARDIAN in English 4 Dec 86 p 3

[Text]

POLITICAL Leader of the National Alliance for Reconstruction, A.N.R. Robinson, has said that Government told International Monetary Fund officials in May that due to the proximity of a general election, it could not address a tax adjustment this year.

Stressing that he had never said Government signed a secret agreement with the IMF, Mr Robinson, speaking last Tuesday night at an NAR meeting at St Augustine's Hi-Lo Car Park, told a large crowd that nobody had ever said a secret agreement had been signed between both parties.

Clarifying the issue, he said that in his address to the NAR's elections conference at Chaguaramas, he had elaborated on certain conditions which Government had promised the IMF and which had been concealed from the public.

He said Government held consultation with IMF officials in Trinidad between April 29 and May 16 this year, in which they told the IMF that due to the proximity of the general election, a tax adjustment could not be addressed.

Mr Robinson said Government promised the IMF to make the tax adjustment next year. He added:

"If you vote them in, they will want to tax you more next year and cut expenditure. They have been accusing us of saying that we are going to do it, but they promised the IMF to do it next year. The IMF wanted them to do it this year. And he is cursing the IMF now?"

### A Lot Of Trouble

The NAR leader said that during the May consultation, Trinidad and Tobago was represented by the acting Minister of Finance, Governor of the Central Bank, and Permanent Secretaries of the Ministries of Finance, Energy and Mines, Agriculture, and Public Utilities.

The NAR leader added that the Prime Minister went to Grenada to meet with American President Ronald Reagan during his visit there last year, "because he was having a lot of trouble with the World Bank."

Mr Robinson was referring to a \$100 million loan reportedly cancelled by the World Bank because the cost of the projects for which the money was advanced, was overrun by 350 percent. He added:

"The money was subsequently provided by the Inter-American Development Bank, who prolonged discussions until they knew the date of the election—then they let him have the money knowing fully well that he would not be there to spend it!"

Commenting on criticisms levelled at the NAR's manifesto proposals by the ruling party, Mr Robinson told the gathering that the party had never promised to do everything at once. Some plans would be implemented over one, two or three years; others within 90 days.

The greatest sin of the ruling party, Mr Robinson said, was the way in which it deprived the public of information:

"So that when you want a job, you have to beg. When you want a house, you must go to a Minister. When you want a phone, you must ask a PNM-ite for it, reducing you to a state of dependency."



Port-of-Spain TRINIDAD GUARDIAN in English 4 Dec 86 pp 9, 24

[Televised speech to the nation by A. N. R. Robinson, political leader of the National Alliance for Reconstruction (NAR) on 1 December 1986]

[Text]

LADIES and Gentlemen, my fellow citizens of Trinidad and Tobago,

Today as you no doubt know, is Nomination Day for the General Election, due on December 15, just two weeks away.

The Parliament which you elected in November, 1981, has now ceased to exist. What we now have is in effect and intention, a caretaker Government whose principal duty is to ensure free and fair elections in which the sovereign will of the people can be clearly expressed.

With the dissolution of Parliament the political power which you entrusted to your past representatives has now reverted to you.

Do not allow anyone to threaten or bully you. It is in your hands now that the power lies. It is you who will now say come — and they cometh or go — and they goeth.

## Moral And Spiritual

When last I addressed you through this medium, I pointed out to you that the nation was in a state of crisis - moral and spiritual; economic; financial and social.

I pointed out that there was increasing tension in industrial relations; unemployment; business failures; breakdown of public services and of law and order; increasing alienation among our youth; an alarming drug problem the situation continues to be the same, very grim.

I pointed out on that occasion that those responsible for the management of the nation's affairs remain strangely silent about the state of our country.

The incumbent Prime Minister and Minister of Finance is fully aware of the disastrous state to which he and his Cabinet have brought us and will be leaving us.

He is in possession of the budget documents which are normally published at this time of the year: the Economic Survey, Fiscal Review of Revenue and Expenditure, the forecast for 1987 and Review of the Development Programme.

Yet at a time when you need most the information contained in those documents it is simply being withheld from you.

I now publicly call upon the Prime Minister and Minister of Finance to produce these documents for the benefit of the population.

## In Full Swing

In addition to these economic and financial reports, the Drug Report, the report on the disastrous fire at TRIN-TOC, the report on the City Council fiasco, the report on the brutal attack on anti-demonstrators at the Oval — all of these are being hidden from you.

An election campaign is in full swing, yet we get no information from those responsible for the state of the country. Instead they conduct a studied campaign of distractions and irrelevancies.

In recent days we have witnessed attempts even to muzzle the Press, while the Government is being conducted like a secret society.

The gross mismanagement they are attempting to cover up is documented even by such international institutions as the IMF and the World Bank.

In 1984 for example the World Bank cancelled a (US)\$22 million loan to the Government of Trinidad and Tobago.

The loan was to build 27 primary schools, two Junior Secondary, six Senior and two Composite Secondary schools.

It was cancelled on the ground that the Government was unable to manage the project.

The cost of the project, according to the World Bank rose 350 per cent even before it got off the ground.

In its report the Bank made reference to the "indecision" of the Government and said that the death of Dr Eric Williams had left a vacuum in the Cabinet. The vacuum in the Cabinet continues up to this day and will continue up to December 15.

Successive reports of the Auditor-General of Trinidad and Tobago have year after year pointed to the financial mismanagement and lack of accountability of the Government.

The Auditor-General has queried billions of dollars transferred in block amounts to State Enterprises and Statutory Bodies outside the normal control and superintendence of Parliament and the Comptroller of Accounts.

## A New Era

The IMF has also fully documented the mismanagement.

However, the bleak picture of a nation in crisis has in the past few weeks given way to a brighter prospect.

A little over two weeks ago, we of the NAR held our Election Conference at Chaguaramas, the symbolic birthplace of the Independence movement.

The amazing experience on that historic day convinced us that a new spirit was abroad in the land.

Since then, the crowds which have attended our meetings in unprecedented numbers in Woodford Square, at Harris Promenade, San Fernando, Chaguanas and Tobago, East Dry River, Belmont, Diego Martin, the Croisee, Tunapuna, Arima, Point Fortin, Mayaro, Rio Claro and Princes Town, and the enthusiasm with which they have greeted our candidates and the presentation of our manifesto, have clearly demonstrated that we once again are a nation on the move.

Ladies and gentlemen, we are today, undoubtedly at the threshold of a new era. Everywhere around us the signs are there.

Our long suffering has been but preparation for a moral and spiritual rebirth and that is now coming.

Our nation is now indeed poised to take a great leap forward on the path to development and growth.

The task I must warn, will not be easy. However, we must not shrink from it.

We must not look backward now.

To do so now would be to put at risk the very fate and destiny of our nation, and especially our youth. We will have a legacy of numerous and difficult problems to overcome.

Where there is the political will, we will with the help of the Almighty find a way.

We in the NAR have presented to you our manifesto which was prepared by many of the most fertile and creative minds in Trinidad and Tobago and which embraces a comprehensive range of ideas and suggestions of ordinary citizens everywhere — youths, housewives, taxi-drivers, farmers, and even some of our disabled citizens have written to us putting forward proposals.

## Six-Point Plan

In the manifesto is an immediate action-plan of confidence-building measures that we will begin implementing as soon as you have voted us into office.

We have spelt out our plan for economic recovery in the short term, and for transformation of the economy in the medium and long term.

We have outlined in great detail measures for creating jobs.

We have drawn up a six-point plan for deepening and expanding industrialisation. We have shown how we will seek self-sufficiency in food production; how we will exploit our fisheries and forestry resources; how we will transform the oil and energy sector and how we will develop tourism with dignity.

We have drawn up proposals for the development of small business, co-operatives and self-help schemes.

We have plans for the improvement of law and order, the administration of justice and the protective services.

We have stated in very precise terms how we will reform the education system to make education relevant, how we will provide health care for all and make the transportation system much more efficient.

We have specific proposals for Chaguaramas, for Tobago, for Caroni, for Port of Spain, San Fernando, Arima and Point Fortin, all within the concept of a regional programme of reconstruction.

Our economic recovery plan will, of course, be addressed to short-term needs while our reconstruction plan will be directed towards the long-term. Both will proceed simultaneously.

The combined effect of programmes in housing, agriculture and tourism designed to supply such basic needs as

shelter, food and foreign exchange, will be to stimulate demand for manufactures as well as to supply the needs for infra-structural development and for household furniture and equipment.

By encouraging self-help and initiative, and putting to use countless acres of idle land either for agriculture or for housing, by employing the considerable stocks of machinery and equipment built up by the construction industry during the boom years and now lying idle, by incorporating the experience, the techniques and the commitment demonstrated in the Sou Sou Lands Project, entirely new communities can be built to satisfy the housing and other needs of the population, to stimulate output in a number of fields and to provide employment and incomes.

We have made our manifesto available to you in the form of supplements in last Sunday's newspapers and we invite you to examine carefully yourselves the details of our proposals. Do not let anyone misrepresent them to you.

Ladies and gentlemen, the choice in this election I suggest to you, is stark and clear-cut.

On the one hand we are offered stagnation in the guise of stability — a stagnation that is leading us all to the grave.

On the other hand — we are offered

confidence in the future, a forward-looking perspective, a vision of a vibrant nation ready to take on whatever challenges may lie before us as we move in to the twenty-first century.

An NAR victory on December 15 will be the signal for such an explosion of joy as this nation has not seen in a long time.

But meanwhile we must be disciplined, we must strain every nerve, we must avoid the traps that a cunning and cynical opponent will set for us — above all we must bring out the voters.

In the next two weeks you will be subjected to a barrage of distortions, misrepresentations and dirty tricks. To all our supporters and friends, I say continue your work in quiet confidence.

To all those who are undecided, I say now is the time to cast your lot with the party of the future.

To those of you who are troubled and unhappy with the present state of affairs, I say the ship will no longer be sinking.

The S.S. Trinidad and Tobago can be provided with a new captain and a crew to rescue the sinking ship and take it safely ashore.

The voyage with the NAR will be towards hope, progress, prosperity and a brighter future. I invite you to vote NAR, the A beam on December 15.

## Robinson on Police Dismissals

Port-of-Spain TRINIDAD GUARDIAN in English 5 Dec 86 p 3

[Article by Gail Alexander]

[Text]

POLITICAL Leader of the National Alliance for Reconstruction A.N.R. Robinson has condemned remarks against the NAR made by Prime Minister George Chambers at a political meeting on Wednesday night.

Mr Robinson charged that Mr Chambers and the PNM were setting in motion a course of events which would lead to a state of emergency and the postponement of the December 15 general election.

Speaking at a Press conference at NAR's Albion Street headquarters yesterday, the NAR leader denied charges reportedly made by the Prime Minister at a PNM meeting at Tunapuna.

Mr Chambers reportedly told the crowd that if the NAR won, it would dismiss certain Police officers on December 16. He added that he had received the information from "the bowels of the NAR hierarchy".

### No Such Steps

Mr Robinson gave the assurance that

no such step would be taken by the NAR. He condemned the statement as part and parcel of the PNM's pattern to try and inject fear among certain parts of the population.

He pointed to pamphlets allegedly being circulated by the NAR — which he said were not — and reports that PNM supporters were intimidating old folk by telling them that the NAR would take away old age pensions.

He also denounced an egg-throwing incident on November 23 and a shooting at Diego Martin allegedly involving the car of a PNM candidate from which shots were fired. He added:

"All polls show that the NAR is ahead in this election and this is an act of desperation on the part of the PNM, to try and stop the orderly course of the elections."

He told the media that he would refer the Prime Minister's statement to the party's lawyer and that he also intended to hold discussions with the acting Commissioner of Police to assure him that there was no foundation in the statement.

## Robinson on 'Dirty Tricks'

Port-of-Spain TRINIDAD GUARDIAN in English 5 Dec 86 p 5

[Article by Mickey Mahabir]

[Text]

**SAN FERNANDO**—A.N.R. ROBINSON, Political Leader of the National Alliance For Reconstruction (NAR), has spoken of lies and dirty tricks which were being introduced in the election campaign.

Addressing a large gathering at Irving Park, San Fernando, on Wednesday night, he told NAR members and supporters they would be subjected to "a barrage of lies and dirty tricks."

Said he : "Some of the most vicious pamphlets are being circulated already by the PNM."

Mr Robinson warned he has issued instructions to NAR members to collect those documents and the names of the persons they find circulating them.

"It is against the law; it's a breach of the law and I propose to demand that the Commissioner of Police and the Director of Public Prosecution take action."

### Victory Signs

Mr. Robinson further warned that if they do not take action "we will take action against offenders."

"I want to tell the citizens of Trinidad and Tobago that what we are interested in is a free and fair election, observance of the law. So I ask all members of the National Alliance For Reconstruction scrupulously to observe the law. Keep the peace, co-operate fully

with the police, and keep away from situation of confrontation."

He told the gathering that the signs of victory were clear. "The regime is dying and is virtually in its last gasp. When an animal is in its death row, it can be the most dangerous."

Advising members and supporters to maintain the utmost discipline, Mr. Robinson said: "I want to give you the assurance, even though we have had some reports in one constituency in particular of improper behaviour by a few police officers, the police service as a whole can be relied on to do its duty."

Mr. Robinson assured further that when the NAR is voted into power on December 15, "even though we will find a Civil Service which is demoralised and frustrated, we are confident under proper leadership and guidance provided by the NAR, it will perform. We have no doubt about it."

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CSO: 3298/061

TUNA PROCESSING WITH SOUTH KOREA; COCOA, COFFEE STUDIED

Port-of-Spain DAILY EXPRESS in English 29 Nov 86 p 5

[Text]

GOVERNMENT has signed an agreement with the South Korean authorities which will result in the establishment of a tuna processing plant in this country by March next year.

This was disclosed by Agriculture, Lands and Food Production Minister Kamaluddin Mohammed at a public meeting in Fifth Company, Moruga on Thursday night. The meeting was in support of Princes Town candidate Amoy Mohammed and Ortoire/Mayaro candidate Leon Prevatt. Prime Minister George Chambers also addressed the large crowd.

According to Mohammed, the agreement will allow 37 South Korean vessels to bring tuna to this country which will be processed and shipped to the Puerto Rican market. He said the company undertaking the project would establish a tuna processing plant next year. Mohammed said the agreement included the purchase by

each of the 37 South Korean boats of over US\$50,000 in goods and service.

Mohammed also disclosed that the team appointed to make recommendations to rehabilitate the cocoa and coffee industry would report back to him by mid-December. He said the plan was to earn over \$100 million in foreign exchange from the industry within the next five years. Said Mohammed, "We are still the producers of the best flavoured cocoa in the world. We have to return the industry to the glorious days of yesteryear."

Mohammed said the Food Import Bill was reduced by \$167 million last year over the 1984 figure of \$928 million. He said this would be reduced further this year. He said the policy of the Ministry had generated an increase in local production, and three or four wholesale markets will be established at strategic points throughout the country.

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CSO: 3298/061

# JAPANESE MISSION SEEKS GOVERNMENT GUARANTEES FOR INVESTMENT

Port-of-Spain SUNDAY EXPRESS in English 7 Dec 86 p 3

[Text]

THE JAPANESE want government guarantees of public peace and order, government incentives and legal protection of investments before they invest in this country. The pre-conditions were determined by the Japanese Survey Mission which visited this country earlier this year following a trip by Prime Minister George Chambers last year.

In a report submitted to the Japanese government, the mission said "the feasibility of investment will be conditioned by the host government's incentive, coupled with a guarantee for public peace and order, legal protection of investment activities and so on."

Details of this report were disclosed by the Japanese Foreign Ministry's Deputy Director General — Latin American and Caribbean Affairs Bureau, Terusuke Terada, at last month's Miami Conference on the Caribbean.

Terada said the report also suggested "certain restrictions laid down on investment should be minimised, while recognising the advantages to be found in free zones established by respective governments."

The Japanese Survey Mission visited Trinidad and Tobago, Guatemala, Jamaica and the Dominican Republic from February 26 to March 10 this year. The mission was sent in response to a request made to the Japanese Government by Prime Minister George Chambers during his official visit to that country in July, 1985. Terada told the Miami Confer-

ence. He said the mission also pointed out in its report that in order to ensure successful local production, "it is required to combine 'hardware' which is installation of large-scale manufacturing facilities with 'software' such as management technique and lifting of technical level of workers."

It said also that due attention should be paid the the upliftment of workers. In addition to this mission, Terada said, a previous mission on technical co-operation was despatched to Trinidad and Tobago and Barbados late last year, and a separate one to St Vincent and St Lucia in August this year.

Terada noted these as some of the aspects of the Japanese government's growing interest in and commitment to development in the region. Official Japanese development assistance to Caribbean Basin countries during 1985 amounted to \$155 million (US), surpassing the previous record of \$125 million.

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